



2019 Comprehensive Annual Financial Report City of St. Louis, Missouri



Fiscal Year Ended June 30

**CITY OF ST. LOUIS, MISSOURI
COMPTROLLER**



**COMPLIMENTS OF THE COMPTROLLER
DARLENE GREEN**

The City of Saint Louis, Missouri



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2019

Prepared by
Office of the Comptroller

Darlene Green
Comptroller

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Comprehensive Annual Financial Report
June 30, 2019

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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

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December 20, 2019

The Honorable Lyda Krewson, Mayor
The Honorable Members of the Board of Aldermen
and the Citizens of the City of St. Louis, Missouri:

The Comprehensive Annual Financial Report of the City of St. Louis, Missouri (City) for the fiscal year ended June 30, 2019 is hereby submitted.

This report has been prepared pursuant to, and to demonstrate compliance with, Article VIII, Section 10, of the City Charter. The Comprehensive Annual Financial Report (CAFR) is in conformance with the standards for financial reporting of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association of the United States and Canada (GFOA).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operation. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's basic financial statements have been audited by KPMG LLP, an independent certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City for the fiscal year ended June 30, 2019, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's basic financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD & A). This letter of transmittal is designed to compliment MD & A and should be read in conjunction with it. The City's MD & A can be found immediately following the report of the independent auditors.



ACCOUNTING SYSTEM, INTERNAL CONTROLS, AND BUDGETARY CONTROL

The City utilizes a fully computerized Accounting Information Management System (AIMS). This system is based on a single input of information. The AIMS system provides: 1) integrated, general and subsidiary accounting of all funds; 2) appropriation/encumbrances accounting and control; and 3) the ability to generate cost/expenditure data in a multitude of formats useful for budgetary control and other managerial purposes.

In developing and evaluating the City's accounting system, consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

- The safeguarding of assets against loss from unauthorized use or disposition, and
- The reliability of financial records for preparing financial statements and maintaining accountability for assets.
- The concept of reasonable assurance recognizes that:
 - The cost of a control should not exceed the benefits likely to be derived, and
 - The evaluation of assets and benefits requires estimates and judgements by management.

All internal control evaluations occur within this framework. Therefore, the Comptroller's Office believes that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Through annual appropriations, the City maintains budgetary control at the fund level. Cost classifications are categorized in the following groups: personnel services, materials and supplies, rental and non-capital leases, non-capital equipment, capital assets, contractual and other services, and debt service and special extraordinary items.

Encumbrances are recorded by the Control Section (or in some cases by the requesting department) through an on-line budgetary control module before requisitions are sent to the Purchasing Division. If sufficient appropriations are not available to cover a purchase, the requisition is returned to the originating department for transfer of appropriations between departments with prior approval of the Board of Estimate and Apportionment (E&A). A formal monthly expense monitoring procedure has been established to help eliminate rejected requisitions and related cancellations, and to minimize line item transfers. Encumbrances are detailed for current year budgetary presentations. While appropriation balances lapse at the end of the fiscal year, appropriation balances for encumbrances remain.

Within the Strategic Financial Plan for the City, major controls help guide City officers in their deliberation over the financial wisdom of potential actions. One of those controls recommends the City to informally reserve a minimum of 5% of the next year's general fund expenditures for appropriation only under severe circumstances. The reserve effectively reduces the funds available for appropriation.

BUDGET PROCESS

The City's fiscal year is July 1 through June 30. The budget process begins in the preceding December with a revenue forecast for the upcoming fiscal year. By February, department budget requests are submitted to the Budget Division, and the review process begins immediately.

The Budget Division works closely with E&A in developing, within forecasted revenue constraints, the proposed budget. By law, E&A must recommend a balanced budget to the Board of Aldermen (the Board), the City's legislative body sixty days prior to the start of a new fiscal year. The Board may decrease but not increase any recommended appropriation amount. The Board, however, may recommend changes in the proposed budget. Any changes must be mutually agreed upon between the Board and E&A. If a budget cannot be agreed upon prior to July 1, the final budget presented by E&A becomes the official budget.

As part of the long-term financial planning, the Budget Division prepares a 5-year projection of revenues and expenditures. The projection is based on known challenges facing the City as well as straight-line growth based on recent history. No formal action is taken on the projections.

ECONOMIC OUTLOOK

The 61.4 – square mile City is the core of a fifteen county Metropolitan Statistical Area (MSA) covering both Missouri and Illinois, and as such is the employment and entertainment center of an area containing a population of 2.8 million residents. The Metropolitan area is the 21st largest metropolitan area in the United States in terms of population. The City represents 16% of all jobs in the MSA. Job growth in the City has been concentrated in the bio-science, healthcare and service sectors and the City anticipates strong, long-term employment growth in the areas of medical, business and recreational services, as well as in education, and the tourism and convention business.

MAJOR INITIATIVES

On August 7, 2018, voters approved the issuance of \$50 million in general obligation bonds for various capital improvements. On November 15, 2018, the City issued \$46.41 million of authorized bonds, with the remaining \$3.59 million being issued December 17, 2019 to address long deferred capital needs.

In order to restore the unreserved general fund balance in case of a recession, the FY19 budget funded an amount of 1.5% of payroll or \$3.4 million specifically for that purpose and it is anticipated that this new mechanism for contributing to reserves will be part of the annual budget process going forward. In addition, the Parking Division transferred \$10 million from its unreserved account to the fund balance reserve to improve the financial well-being of the City.

More than \$5 billion has been invested in the last decade, bringing people, jobs, commerce, residential living, and urban vitality needed to strengthen the core of the St. Louis region. Continued focus on improving commercial districts throughout the City is making City living and neighborhoods more desirable. Continued focus on the manufacturing sector and, in essence, a public/private partnership with these operations to attract investment and growth, along with cultivating those areas where the region has strength, such as life science, information technology and financial services, is progressing.

LONG TERM FINANCIAL PLANNING

While the FY2020 budget includes only a modest growth in general revenue, these funds will continue to be supplemented with new revenues approved in the past two years which continue to support various initiatives in areas such as public safety, transportation, affordable housing, afterschool and summer jobs programs, recreation, social and mental health services and neighborhood stabilization efforts through derelict building demolition and lot maintenance. The refuse fee collection fee will continue to provide funding for the ongoing replacement cycle of the City's refuse vehicle fleet as well as efforts to address the problem of illegal dumping.

INTERNAL AUDIT

It is the special responsibility of the Comptroller, as set out in the Charter, to provide City officials and taxpayers with reasonable assurance that public funds and property are adequately safeguarded and that financial transactions are authorized and properly recorded.

The Comptroller's internal audit staff audits various departments within the City testing for the methods employed by the department to safeguard the assets, ensuring the reliability of the accounting data, promoting efficient operations and ensuring compliance with established ordinances and the City Charter. Audits may also be performed on various corporations and not-for-profit organizations to ensure compliance with the various contractual agreements with the City. In addition to audits, the internal audit staff reviews the revenue collection procedures established by those departments and employees who receive or collect City revenue. As a result of these audits and reviews, the internal auditors develop recommendations of procedures that should be implemented to improve internal controls. These audits and reviews are performed on a continual basis.

CERTIFICATE OF ACHIEVEMENT

The City's CAFR for the fiscal year ended June 30, 2018 was awarded the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. This is the thirty-first year the City has received this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current CAFR will continue to meet the Certificate of Achievement Program requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENT

I would like to express my appreciation to the staff members of the Comptroller's Office for their many hours in the preparation of this report. I also extend my appreciation to the independent accounting firm of KPMG LLP for their professional service. Contributions to the completion and publication of this financial history were made by staff of other departments to whom I also express my appreciation.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read 'Darlene Green', written in dark ink.

Darlene Green
Comptroller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of St. Louis
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO

The City of St. Louis, Missouri

Elected Officials

June 30, 2019

Board of Aldermen

(Aldermen listed to numerical order by ward)

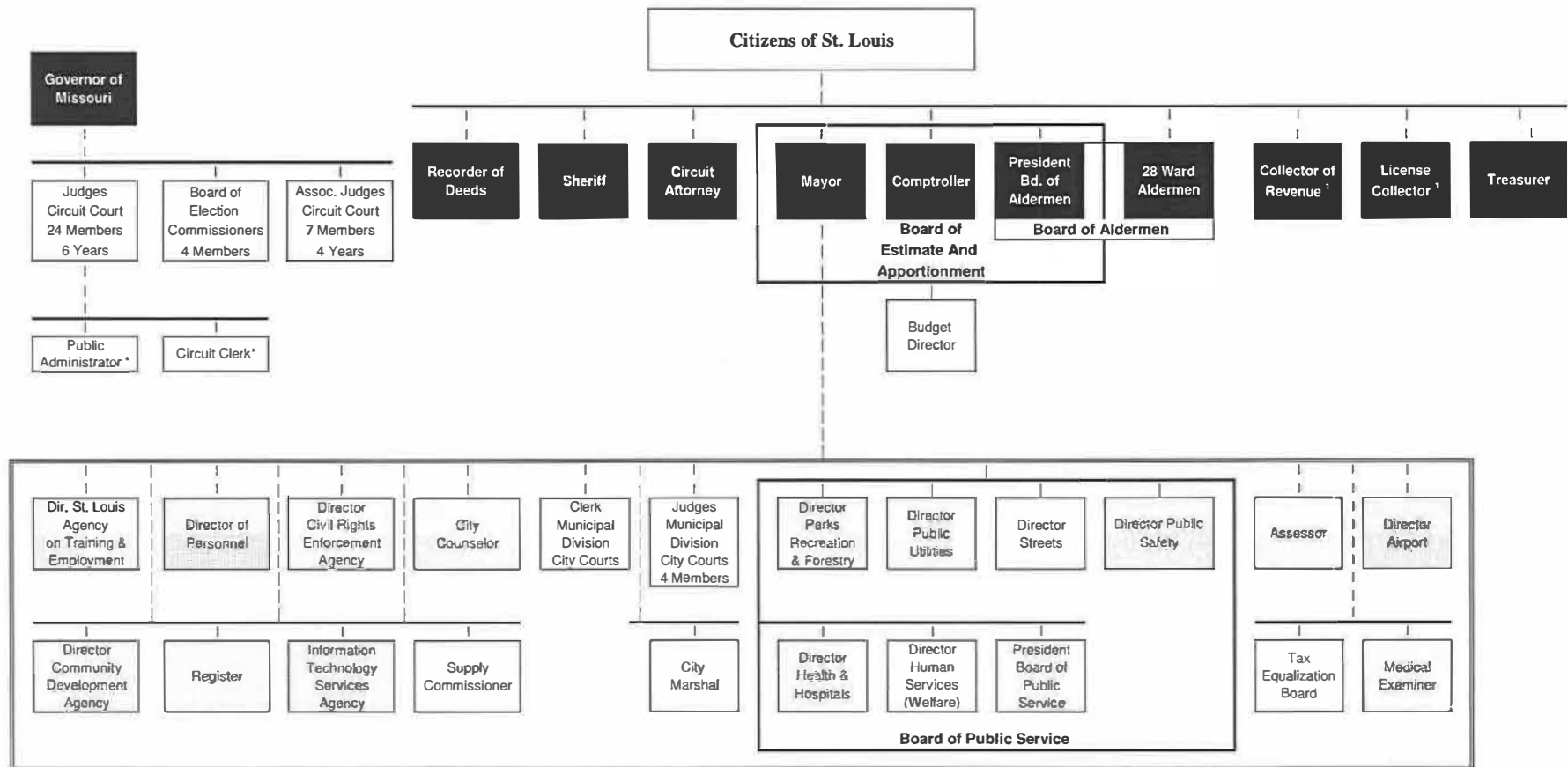
LYDA KREWSON
Mayor

DARLENE GREEN
Comptroller

LEWIS REED
President,
Board of Aldermen

Sharon Tyus
Lisa Middlebrook
Brandon Bosley
Samuel L. Moore
Tammika Hubbard
Christine Ingrassia
Jack Coatar
Annie Rice
Dan Guenther
Joseph Vollmer
Sarah Martin
Larry Arnowitz
Beth Murphy
Carol Howard
Megan E. Green
Tom Oldenburg
Joseph D. Roddy
Jesse Todd
Marlene E. Davis
Cara Spencer
John Collins-Muhammad
Jeffrey L. Boyd
Joseph Vaccaro
Bret Narayan
Shane Cohn
Shameem Clark Hubbard
Pam Boyd
Heather Navarro

Government of the City of St. Louis, Missouri



■ Elective Offices - 4 Years * Previously elected offices now appointed by Courts

□ Offices appointed by Mayor

¹ Indicates a fee office (not included in general appropriation)





KPMG LLP
Suite 900
10 South Broadway
St. Louis, MO 63102-1761

Independent Auditors' Report

Honorable Mayor and Members of
The Board of Aldermen of the
City of St. Louis, Missouri:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of St. Louis, Missouri (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the pension trust funds and the St. Louis Development Corporation discretely presented component unit. The assets and revenues (additions) of the pension trust funds represent 90% and 32% of the assets and revenues (additions), respectively, of the aggregate remaining fund information. The assets and revenues of the St. Louis Development Corporation represent 100% of the assets and revenues of the aggregate discretely presented component unit. The financial statements of the pension trust funds and the St. Louis Development Corporation were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those funds and discretely presented component unit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Employees Retirement System of the City of St. Louis pension trust fund were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of St. Louis, Missouri, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 4 through 22, the Budgetary Comparison Information on pages 152 through 159, and the Retirement Systems and Other Postemployment Benefit Plan Information on pages 160 through 168 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules – Additional Supplementary Information, and the Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules – Additional Supplementary Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules – Additional Supplementary Information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KPMG LLP

St. Louis, Missouri
December 20, 2019

CITY OF ST. LOUIS, MISSOURI
Management's Discussion and Analysis – Unaudited
June 30, 2019

As management of City of St. Louis, Missouri (the City), we offer readers of the City's Comprehensive Annual Financial Report this narrative overview and analysis of the City for the fiscal year ended June 30, 2019. The information presented here should be read in conjunction with our letter of transmittal and the City's basic financial statements including the notes to the financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights (excluding discretely presented component unit)

- On a government-wide basis, the City's total assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources as of the current fiscal year end by \$474.5 million.
- Governmental activities and business-type activities had a net position of (\$888.7) million and \$1,363.2 million, respectively.
- The cost of services for the City's governmental activities was \$807.1 million in fiscal year 2019 (excluding interest and fiscal charges).
- As of June 30, 2019, the City's governmental funds reported combined ending fund balances of \$348.4 million. Of this amount, \$17.4 million is unassigned fund balance.
- In fiscal year 2019, the City issued \$76.7 million in long-term debt to finance projects in governmental activities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and supplementary and other information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances using accounting methods similar to those used by private sector business.

The **Statement of Net Position** presents information on all of the City's assets, deferred outflow of resources, liabilities, deferred inflows of resources, and net position. Increases and decreases in net position may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

The **Statement of Activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus revenues and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

CITY OF ST. LOUIS, MISSOURI
Management's Discussion and Analysis – Unaudited
June 30, 2019

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and inter-governmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities).

The governmental activities of the City include general government, convention and tourism, parks and recreation, judicial, streets, public safety (fire, police, other), health and welfare, public service, and community development, as well as, interest and fiscal charges. The business-type activities of the City include an airport, water division, and parking division.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate redevelopment agency. Financial information for this component unit is reported separately from the financial information presented for the primary government.

Included in the financial statements are the operations of the Public Facilities Protection Corporation (PFPC), St. Louis Municipal Finance Corporation, and St. Louis Parking Commission Finance Corporation as blended component units.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

1. *Governmental Funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of a fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds according to their type (general, special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, redevelopment projects fund, capital projects fund, and grants fund, which are considered to be major funds. Individual fund data for each of the nonmajor governmental funds is provided in the form of additional supplementary information as combining statements.

CITY OF ST. LOUIS, MISSOURI

Management's Discussion and Analysis – Unaudited

June 30, 2019

2. *Proprietary Funds.* Proprietary funds offer short-term and long-term financial information about services for which the City charges customers, both external customers and internal departments of the City. The City maintains the following two types of proprietary funds:
 - *Enterprise Funds* are used to report information similar to business-type activities in the government-wide financial statements. The City uses the enterprise funds to account for the operations of the St. Louis Lambert International Airport (Airport), Water Division, and the Parking Division.
 - *Internal Service Funds* are used to report activities that provide supplies and services for certain City programs and activities. The City uses internal service funds to account for its mail handling services, for payment of workers' compensation and various other claims, health insurance, and equipment service.
3. *Fiduciary Funds.* Fiduciary funds are used to account for resources held for the benefit of individuals or units outside of the City. The City is the trustee or fiduciary responsible for assets that can be used only for the trust beneficiaries per trust arrangements. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The City's pension trust funds and agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and notes to the financial statements, this report presents required supplementary information concerning the City's budgetary comparisons for the general fund, and redevelopment projects fund, and required supplementary information pertaining to the Firemen's Retirement System of St. Louis, the Firefighters' Retirement Plan of the City of St. Louis, the Police Retirement System of St. Louis and the Employees Retirement System of the City of St. Louis pension trust funds and other post-employment benefits.

CITY OF ST. LOUIS, MISSOURI
Management's Discussion and Analysis – Unaudited
June 30, 2019

Financial Analysis of the City as a Whole

Net position: The City's combined net position for fiscal year 2019 was \$474.5 million, up from \$414.8 million from fiscal year 2018. Looking at the net position of governmental and business-type activities separately provides additional information.

CITY OF ST. LOUIS, MISSOURI
Schedule of Net Position Summary
June 30, 2019 and 2018
(Dollars in millions)

Assets	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 572.2	457.4	530.7	424.6	1,102.9	882.0
Capital assets	787.3	817.2	1,753.3	1,766.1	2,540.6	2,583.3
Total asset	1,359.5	1,274.6	2,284.0	2,190.7	3,643.5	3,465.3
Deferred outflow of resources	75.9	98.5	19.0	20.3	94.9	118.8
Total assets and deferred outflow of resources	1,435.4	1,373.1	2,303.0	2,211.0	3,738.4	3,584.1
Liabilities						
Long-term liabilities	2,013.3	2,003.3	875.4	804.5	2,888.7	2,807.8
Other liabilities	188.2	179.4	55.8	59.4	244.0	238.8
Total liabilities	2,201.5	2,182.7	931.2	863.9	3,132.7	3,046.6
Deferred inflow of resources	122.6	113.1	8.6	9.6	131.2	122.7
Total liabilities and deferred inflow of resources	2,324.1	2,295.8	939.8	873.5	3,263.9	3,169.3
Net position						
Net investment in capital assets	480.5	501.1	1,072.3	1,124.3	1,552.8	1,625.4
Restricted	100.9	106.7	192.2	101.9	293.1	208.6
Unrestricted (deficit)	(1,470.1)	(1,530.5)	98.7	111.3	(1,371.4)	(1,419.2)
Total net position	\$ (888.7)	(922.7)	1,363.2	1,337.5	474.5	414.8

CITY OF ST. LOUIS, MISSOURI
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Analysis of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, assets and deferred outflow of resources exceeded liabilities by \$474.5 million at the close of the most recent fiscal year.

The largest portion of the City's net position consists of its net investment in capital assets (for example, infrastructure, land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

Included in the City's total net position at the end of fiscal year 2019 and fiscal year 2018, respectively, is \$293.1 million and \$208.6 million, which represent resources that are subject to external restrictions on how they may be used.

Total unrestricted net position increased by \$47.8 for the year ended June 30, 2019. Unrestricted governmental activities net position showed a \$1,470.1 million deficit at the end of fiscal year 2019 as compared with a \$1,530.5 million deficit in fiscal year 2018. This deficit does not mean that the City does not have resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. For example, the City's policy and practice is to budget for certain long-term expenses as they come due. Specifically, the City did not include in past annual budgets the full amounts needed to finance future liabilities arising from property and casualty claims, amounts to pay for unused employee vacation and sick days or pay annual OPEB due. The City will continue to include these amounts in future year's budgets as they come due.

In addition, six particular features of the City's recent financial activity affected the deficit in unrestricted governmental net position. These activities over the past several years reflect debt to provide development stimulus for which the City received no offsetting asset. They include the following:

- Section 108 loan agreements, \$11.8 million
- Joint venture financing agreement for the expansion of the convention center, \$13.9 million
- Obligations with component unit for the convention center hotel, \$10.3 million
- Obligations with component units for downtown development, \$14.7 million
- Obligations with component unit for downtown sports center, \$53.6 million
- Redevelopment and Tax increment financing debt for economic development projects in the amount of \$375.6 million

CITY OF ST. LOUIS, MISSOURI
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Although the net position of the business-type activities account for the majority of overall net position, these resources cannot be used to make up for the unrestricted net position deficit in governmental activities. The City generally can only use the net position to finance the continuing operations of the Airport, Water Division, and the Parking Division.

CITY OF ST. LOUIS, MISSOURI

Schedule of Changes in Net Position

Fiscal years ended June 30, 2019 and 2018

(Dollars in millions)

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 152.8	163.2	242.2	236.9	395.0	400.1
Operating grants and contributions	59.3	62.3	0.7	0.9	60.0	63.2
Capital grants and contributions	4.9	7.9	23.9	20.5	28.8	28.4
General revenues:						
Taxes	655.6	618.0	—	—	655.6	618.0
Investment income	5.2	0.5	10.2	2.1	15.4	2.6
Total revenues	877.8	851.9	277.0	260.4	1,154.8	1,112.3
Expenses:						
General government	65.2	58.4	—	—	65.2	58.4
Convention and tourism	4.6	5.2	—	—	4.6	5.2
Parks and recreation	31.5	30.3	—	—	31.5	30.3
Judicial	48.7	48.9	—	—	48.7	48.9
Streets	78.4	74.3	—	—	78.4	74.3
Public safety:						
Fire	78.1	80.5	—	—	78.1	80.5
Police	234.2	243.2	—	—	234.2	243.2
Other	64.5	60.0	—	—	64.5	60.0
Health and welfare	54.7	55.8	—	—	54.7	55.8
Public service	80.6	80.8	—	—	80.6	80.8
Community development	66.6	59.5	—	—	66.6	59.5
Interest and fiscal charges	59.0	59.3	—	—	59.0	59.3
Airport	—	—	165.0	164.6	165.0	164.6
Water Division	—	—	49.0	50.4	49.0	50.4
Parking Division	—	—	15.0	15.0	15.0	15.0
Total expenses	866.1	856.2	229.0	230.0	1,095.1	1,086.2
Excess (deficiency) before transfers	11.7	(4.3)	48.0	30.4	59.7	26.1
Transfers	22.3	10.4	(22.3)	(10.4)	—	—
Change in net position	34.0	6.1	25.7	20.0	59.7	26.1

CITY OF ST. LOUIS, MISSOURI
Management's Discussion and Analysis – Unaudited
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CITY OF ST. LOUIS, MISSOURI

Schedule of Changes in Net Position

Fiscal years ended June 30, 2019 and 2018

(Dollars in millions)

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Net position – beginning of year	\$ (922.7)	(671.0)	1,337.5	1,317.5	414.8	646.5
Cumulative effect of change in accounting principle	—	(257.8)	—	—	—	(257.8)
Net position – end of year	<u>\$ (888.7)</u>	<u>(922.7)</u>	<u>1,363.2</u>	<u>1,337.5</u>	<u>474.5</u>	<u>414.8</u>

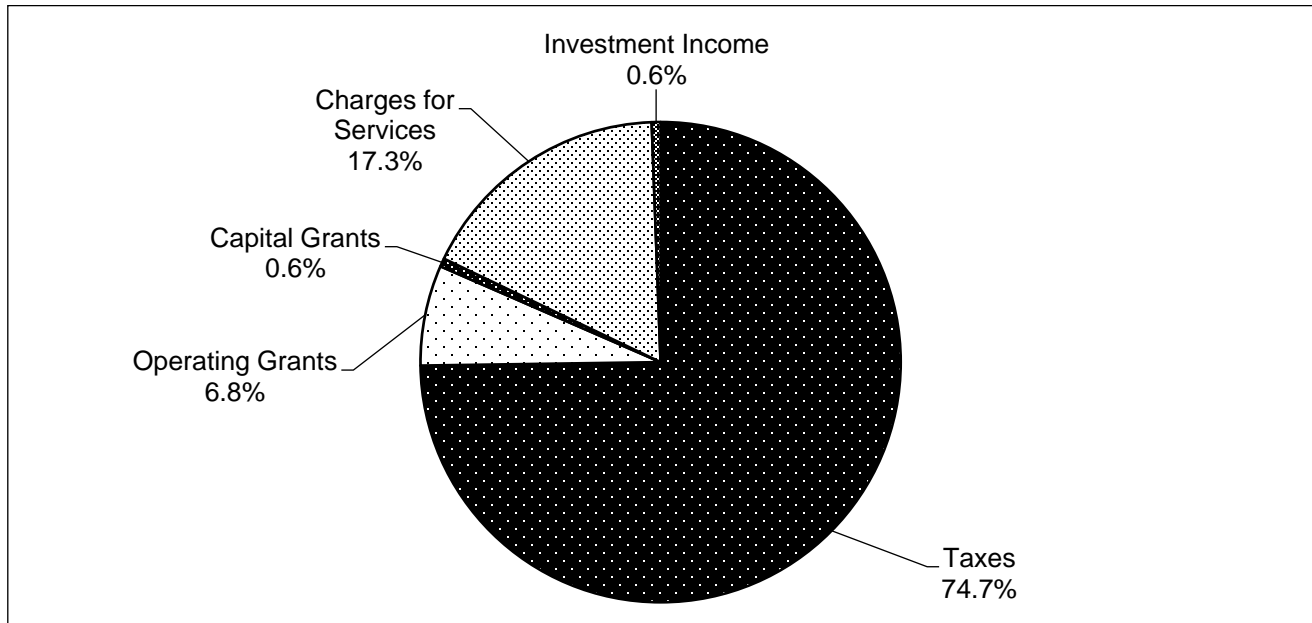
Changes in net position. The City's total revenue on a government-wide basis was \$1,154.8 million, an increase of \$42.5 million over the previous year. Taxes represent 56.8% of the City's revenue as compared with 55.6% last year. Additionally, 34.2% comes from fees charged for services, as compared to 36.0% of the previous year's revenue. The remainder is state and federal aid, interest earnings, and miscellaneous revenues.

The total cost of all programs and services was \$1,095.1 million, an increase from \$1,086.2 million last fiscal year. The City's expenses cover a range of typical City/county services. The largest program was the Airport. The program with the largest burden on general revenues was public safety.

Governmental activities. As a result of this year's operations, the net position of governmental activities increased by \$34.0 million or 3.8%. The increase was mainly driven by collections on new sales taxes and an increase payroll related tax due to collection efforts and a robust economy. Revenues increased by \$25.9 million or 3.0%.

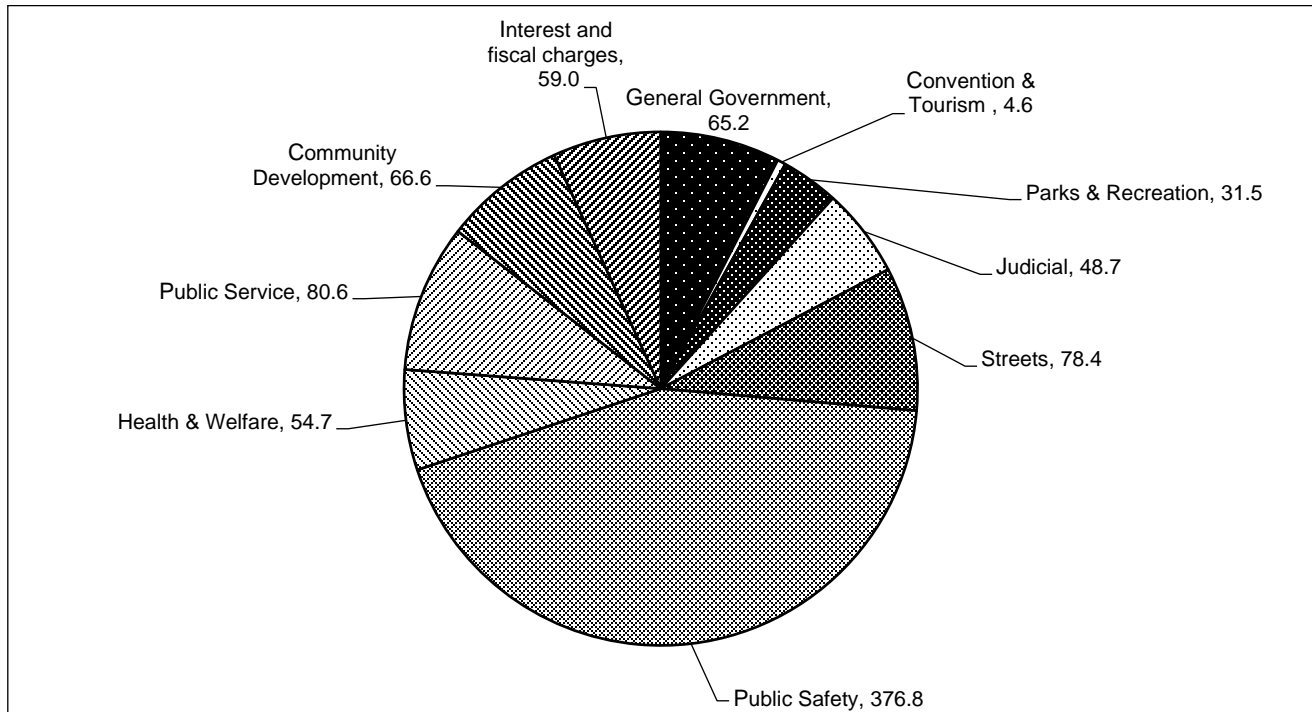
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The following chart reflects the revenues by type as a percentage of total revenues for governmental activities for fiscal year 2019.



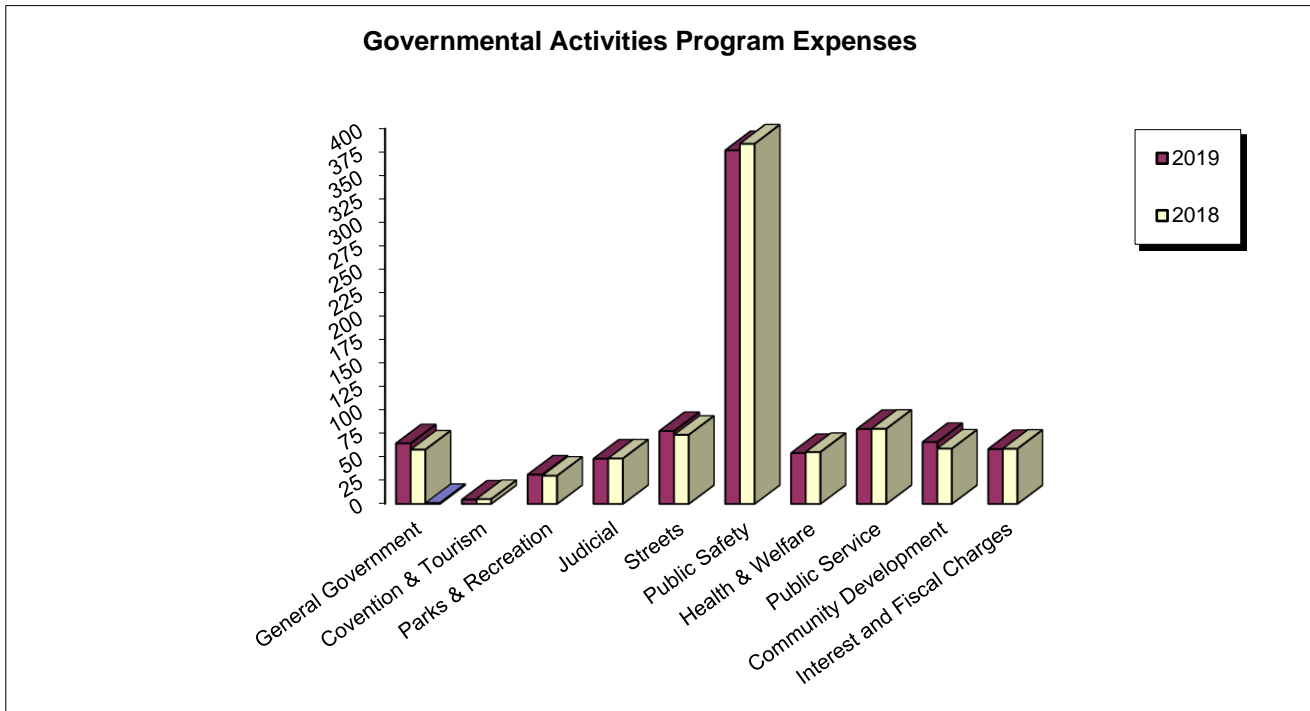
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The following chart illustrates the City's governmental activities expenses by program (\$in millions). Total cost of governmental activities was \$866.1 million, an increase of \$9.9 million or 1.2% over the prior year. As shown, public safety is the largest function in expense (43.5%). The majority of the spending was the result of funding Police of \$234.2 million and Fire of \$78.1 million, which includes any costs associated with their retirement plans.



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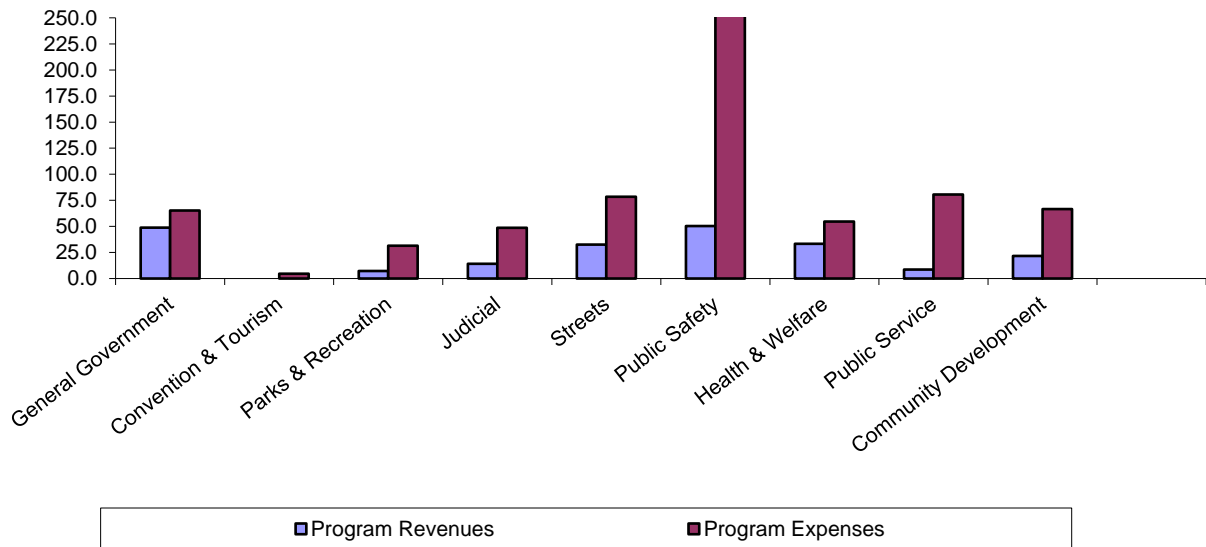
The following chart is a comparison of expense of governmental activities for fiscal years ended 2019 and 2018.



CITY OF ST. LOUIS, MISSOURI
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The following chart depicts the total expenses and total program revenues of the City's governmental functions for the year ended June 30, 2019.

Governmental Program Revenues and Expenses



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CITY OF ST. LOUIS, MISSOURI

Governmental Activities

(Dollars in millions)

	Total cost of services		Net costs of services	
	2019	2018	2019	2018
General government	\$ 65.2	58.4	(16.4)	(15.4)
Convention and tourism	4.6	5.2	(4.6)	(5.2)
Parks and recreation	31.5	30.3	(24.2)	(25.0)
Judicial	48.7	48.9	(34.6)	(37.6)
Streets	78.4	74.3	(45.8)	(42.6)
Public safety:				
Fire	78.1	80.5	(61.1)	(66.6)
Police	234.2	243.2	(226.1)	(235.5)
Other	64.5	60.0	(39.2)	(29.9)
Health and welfare	54.7	55.8	(21.2)	(19.3)
Public service	80.6	80.8	(71.9)	(68.4)
Community development	66.6	59.5	(44.9)	(18.1)
Totals	<u>\$ 807.1</u>	<u>796.9</u>	<u>(590.0)</u>	<u>(563.6)</u>

The preceding charts represent the cost of governmental activities this year excluding interest and fiscal charges. The cost this year was \$807.1 million compared with \$796.9 million last year. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through City taxes was \$655.6 million. The primary remaining difference of \$151.5 million comprises charges for services (\$152.8 million), operating grants and contributions (\$59.3 million), and capital grants and contributions (\$4.9 million).

Business-Type activities. Business-type activities reflect an increase in net position of \$25.7 million or 2.0%.

St. Louis Lambert International Airport. The net position of the Airport increased by \$31.7 million or 2.8%. The operating loss was (\$3.6) million this year versus net operating loss of (\$7.7) million in 2018. Total operating revenues for 2019 was \$140.4 million. Of this amount, major sources of operating revenue included aviation revenues (56.9%), concessions (22.2%), parking, net (16.9%), and lease revenue (4.0%). A significant nonoperating revenue is passenger facility charges which accounts for \$29.5 million.

At June 30, 2019, the capital assets balance was \$1,523.9 million. This amount includes buildings and structures of \$242.4 million, pavings with \$475 million, and equipment with \$25.9 million, all net of accumulated depreciation. Land is \$750.9 million, construction in progress is \$26.2 million, and easements is \$3.5 million.

At June 30, 2019, the Airport had bonded debt of \$691.6 million.

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Water Division The net position of the Water Division increased by \$1.9 million or 1.0%. Operating income was \$3.9 million in fiscal year 2019 and \$4.4 million in fiscal year 2018. Total operating revenues for 2019 was \$52.6 million. Of this amount, major sources of operating revenue included metered revenue (41.2%) and flat rate revenue (47.5%).

At June 30, 2019, the capital assets balance was \$160.6 million. This amount includes buildings and structures (net of accumulated depreciation) with \$13.4 million, reservoirs and water mains, lines and accessories with \$98.6 million, equipment with \$34.8 million, land with \$1.2 million, and construction-in-progress with \$12.6 million.

At June 30, 2019, the Water Division had bonded debt of \$7.6 million.

Parking Division. The net position of the Parking Division decreased by \$7.9 million or 20.0%. Operating income was \$6.3 million in fiscal year 2019 and \$5.5 million in fiscal year 2018. Total operating revenues for 2019 was \$18.8 million. Of this amount, major sources of operating revenue included parking meter revenue (16.9%), parking violations notices revenue (22.3%), and parking facilities revenue (55.5%).

At June 30, 2019, the capital assets balance was \$68.7 million. This amount includes buildings and parking garages (net of accumulated depreciation) with \$41.4 million, parking meters and lot equipment with \$3.4 million, equipment with \$1.0 million, and land with \$22.9 million.

At June 30, 2019, the Parking Division had bonded debt of \$57.7 million.

CITY OF ST. LOUIS, MISSOURI
Management's Discussion and Analysis – Unaudited
June 30, 2019

CITY OF ST. LOUIS, MISSOURI

Balance Sheet Summary

Governmental Funds

June 30, 2019

(Dollars in millions)

		2019	2018	2019 vs. 2018 \$Change	2019 vs. 2018 % Change
Total assets	\$	538.5	429.2	109.3	25.5 %
Total liabilities	\$	80.1	87.1	(7.0)	(8.0)
Deferred inflow of resources		110.0	104.9	5.1	4.9
Fund balance:					
Restricted and Nonspendable		191.3	154.8	36.5	23.6
Committed		128.5	77.8	50.7	65.2
Assigned		11.2	8.1	3.1	38.3
Unassigned		17.4	(3.5)	20.9	597.1
Total fund balance		348.4	237.2	111.2	46.9
Total liabilities, deferred inflow of resources, and fund balance	\$	538.5	429.2	109.3	25.5 %

Financial Analysis of the City's Funds

Governmental Funds

The focus of the City's governmental funds is to provide information on inflows, outflows and balances of current financial resources that are available for spending. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$35.3 million.

The total fund balance in the City's general fund increased by \$46.7 million or 123.1% in the current fiscal year. The City's general fund increased by \$19.7 million or 107.2% in the prior fiscal year.

The total fund balance in the redevelopment projects fund decreased by \$2.9 million or 7.1% in the current fiscal year. The decrease is in regard to an escrow trust agreement with the Parking Division to allow for an irrevocable pledge of monies to cover the remaining Argle TIF debt and allowing for the release of the excess funds accumulated in the special allocation fund.

The total fund balance in the City's capital projects fund increased by \$26.5 million or 36.7% in the current fiscal year. The City's capital projects fund decreased by \$3.7 million or 4.9% in the prior fiscal year. The current year increase is primarily due to the issuance of general obligation bonds in the amount of \$46.4 million to be used for capital improvements offset by the use of past proceeds.

CITY OF ST. LOUIS, MISSOURI
Management's Discussion and Analysis – Unaudited
June 30, 2019

The grants fund received \$59.3 million in intergovernmental revenues that funded community development in the amount of \$14.5 million, or 24.4%, and health and welfare in the amount of \$32.5 million, or 54.6% in the current fiscal year. The grants fund received \$62.3 million in intergovernmental revenues that funded community development in the amount of \$16.0 million, or 25.7%, and health and welfare in the amount of \$34.7 million, or 55.8% in the prior fiscal year.

The total fund balance in the City's other governmental funds increased by \$40.9 million or 37.55% in the current fiscal year. The increase is primarily due to the first full year of collection of the Public Safety Sales Tax II approved by voters the previous fiscal year as well as the accumulation of funding associated with transportation in Economic Development sales tax. The City's other governmental funds increased by \$29.7 million or 53.5% in the prior fiscal year.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net position for the Airport was \$53.6 million, the Water Division was \$30.9 million, and the Parking Division was \$14.2 million, as compared with \$59.5 million, \$29.2 million, and \$22.6 million, respectively in 2018. The total increase in net position for the enterprise funds was \$25.7 million in the current year.

Fiduciary Funds

The City maintains fiduciary funds for the assets of the pension trust funds for the Firemen's Retirement System, the Firefighters' Retirement Plan, the Police Retirement System, and the Employees Retirement System. As of the end of the funds' fiscal year ended September 30, 2018, the net position of the pension funds totaled \$2.2 billion, an increase of \$0.04 billion from the previous year.

The City is the custodian of the agency funds and the most common use of agency funds is for pass-through activity. Since, by definition, all assets of the agency funds are held for the benefit of other entities, there is no net position to discuss. As of the end of the current fiscal year, the combined gross assets of the agency funds totaled \$48.6 million. This amount comprises activity from the collector of revenue, property tax escrow, general insurance, bail bonds, license collector, circuit clerk, police agency, treasurer's office college fund and other miscellaneous agency activities.

General Fund Budgetary Highlights

The final budget for the City's general fund represents the original budget plus any previously appropriated funds set aside for the purpose of honoring legally incurred obligations (prior year encumbrances and commitments) plus any additional supplemental appropriations that may occur during the fiscal year.

This discussion presents the budget information on the budgetary basis as the Board of Alderman approves the budget.

The general fund revenue estimate including transfers in totaled \$517.5 million. Actual results for the fiscal year's revenues and transfers in were \$529.6 million, which was higher than the original estimates by \$12.1 million or 2.3% of the estimate. The Parking Division transferred \$10 million from its unreserved fund balance to the fund balance reserve of the general fund.

CITY OF ST. LOUIS, MISSOURI
Management's Discussion and Analysis – Unaudited
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The general fund expense budget was \$516.5 million including transfers out. This also includes prior year encumbrances and commitments of \$3.4 million set aside and re-appropriated. Actual expenditures and transfers out totaled \$498.9 million. This includes expenditures of \$1.9 million from prior year encumbrances and commitments. The encumbrances and commitments carried over into the next fiscal year in regard to the fiscal year 2019 budget total \$5.2 million. The general fund ended the fiscal year with a budget-basis-operating surplus of \$26.3 million which includes a transfer of \$1.0 million for the 27th pay period reserve and \$3.4 million for the fund balance reserve.

Capital Assets and Debt Administration

Capital Assets

The City had invested \$2.5 billion in a broad range of capital assets, including fire equipment, park facilities, roads, bridges, runways and water systems.

CITY OF ST. LOUIS, MISSOURI

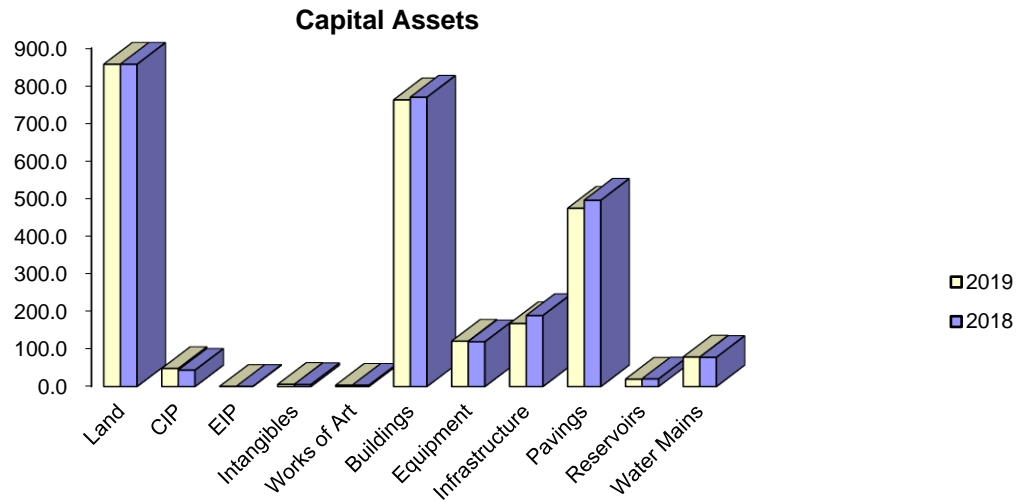
Schedule of Changes in Capital Assets

Net of Accumulated Depreciation

(Dollars in millions)

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 81.7	81.7	775.1	775.1	856.8	856.8
Construction in progress	9.3	10.6	38.9	33.1	48.2	43.7
Equipment in progress	0.5	0.5	—	—	0.5	0.5
Intangibles, nondepreciable	2.4	1.9	3.5	3.5	5.9	5.4
Works of art	3.6	3.6	—	—	3.6	3.6
Buildings and improvements	465.4	471.6	297.1	297.8	762.5	769.4
Equipment	55.9	57.5	65.1	61.9	121.0	119.4
Infrastructure	167.9	189.2	—	—	167.9	189.2
Intangibles, depreciable	0.6	0.5	—	—	0.6	0.5
Pavings	—	—	475.0	496.3	475.0	496.3
Reservoirs	—	—	19.7	20.4	19.7	20.4
Water mains, lines, accessories	—	—	78.9	77.9	78.9	77.9
Total	\$ 787.3	817.1	1,753.3	1,766.0	2,540.6	2,583.1

CITY OF ST. LOUIS, MISSOURI
Management's Discussion and Analysis – Unaudited
June 30, 2019



For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Governmental fund financial statements record capital asset purchases as expenditures.

For additional information on capital assets, refer to note 7 in the notes to the basic financial statements.

CITY OF ST. LOUIS, MISSOURI
Management's Discussion and Analysis – Unaudited
June 30, 2019

Long-Term Debt

At the end of fiscal year 2019, the City had outstanding long-term debt obligations for governmental activities in the amount of \$998.8 million compared with \$976.7 million in fiscal year 2018. Of this amount, \$74.6 million are general obligation bonds and \$375.6 million are development and tax increment financing bonds and notes payable. Leasehold revenue obligations outstanding totaled \$382.9 million.

CITY OF ST. LOUIS, MISSOURI

Outstanding Long-Term Debt Obligations – Governmental Activities

(Dollars in millions)

	<u>Fiscal year 2019</u>	<u>Fiscal year 2018</u>	<u>\$Change</u>	<u>% Change</u>
Public Offerings:				
General obligation bonds payable	\$ 74.6	33.1	41.5	125.4 %
Development and tax increment financing bonds and notes payable	7.2	8.2	(1.0)	(12.2)
Certificates of participation	2.4	3.1	(0.7)	(22.6)
Obligations with component unit	78.6	84.2	(5.6)	(6.7)
Leasehold revenue improvement and refunding bonds	363.8	378.4	(14.6)	(3.9)
Joint venture financing agreement	13.9	19.1	(5.2)	(27.2)
Unamortized premium/discounts	26.9	24.3	2.6	10.7
Direct borrowings and direct placements:				
Section 108 Loan Guarantee Assistance Programs	11.7	17.1	(5.4)	(31.6)
Development and tax increment financing bonds and notes payable	368.4	356.0	12.4	3.5
Energy Loan Program	0.8	0.9	(0.1)	(11.1)
Capital lease – rolling stock	11.2	8.9	2.3	25.8
Loan agreement with FPF	20.2	21.7	(1.5)	(6.9)
Leasehold revenue improvement and refunding bonds	19.1	21.7	(2.6)	(12.0)
Total	\$ <u>998.8</u>	<u>976.7</u>	<u>22.1</u>	<u>2.26 %</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The City's authorized debt limit for calendar year 2018 was \$458.2 million. The City's effective legal debt margin as of June 30, 2019 was \$393.4 million. For additional information on long-term debt, refer to the note 13 to the basic financial statements.

CITY OF ST. LOUIS, MISSOURI
Management's Discussion and Analysis – Unaudited
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The City's underlying general obligation credit ratings changed for fiscal year 2019. The City ratings on uninsured general obligation bonds as of June 30, 2019 were:

Moody's Investor's Service, Inc.	Baa1
Standard and Poor's Corporation	A+
Fitch IBCA, Inc. Ratings	A-

CITY OF ST. LOUIS, MISSOURI
Revenue Bonds Outstanding
Long-Term Debt Obligations – Business-Type Activities
(Dollars in millions)

	Fiscal year 2019	Fiscal year 2018	\$Change	% Change
Airport	\$ 691.6	630.3	61.3	9.73 %
Water Division	7.6	8.1	(0.5)	(6.17)
Parking Division	57.7	61.1	(3.4)	(5.56)
Total	<u>\$ 756.9</u>	<u>699.5</u>	<u>57.4</u>	<u>8.21 %</u>

Outstanding revenue bonds of the business-type activities of the City as of June 30, 2019 and 2018 were \$756.9 million and \$699.5 million, respectively. The amount reflects an increase of \$57.4 million, or 8.21%. This amount includes Airport bonds of \$691.6 million, Water Division bonds of \$7.6 million, and Parking Division bonds of \$57.7 million. For additional information on revenue bonds of the business-type activities, refer to notes 13 and 17 of the basic financial statements.

Economic Factors and Next Year's Budget

- The fiscal year 2020 annual operating budget allocates \$1,149 million among all budgeted funds, a 3.0% increase over the previous year's budget, including supplemental appropriations.
- The fiscal year 2020 general fund revenue budget is \$519.2 million compared with \$517.5 million in fiscal year 2019. This amount reflects an increase of \$1.7 million, or 0.3%.
- Total employee positions for fiscal year 2020 are 6,668 which is up 60 positions from fiscal year 2019.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives.

If you have any questions about this report or need additional information, please contact the Office of the Comptroller of the City of St. Louis, 1200 Market Street, Room 311, Saint Louis, Missouri 63103.



CITY OF ST. LOUIS, MISSOURI

Statement of Net Position

June 30, 2019

(Dollars in thousands)

Assets	Primary government			Component unit
	Governmental activities	Business-type activities	Total	SLDC
Cash and cash equivalents	\$ 189,229	47,172	236,401	16,330
Investments	29,298	108,490	137,788	1,316
Receivables, net	201,661	25,043	226,704	28,426
Inventories	1,320	5,368	6,688	—
Restricted assets	117,946	348,260	466,206	—
Internal balances	10,648	(10,648)	—	—
Other assets	5,916	5,194	11,110	470
Receivable from primary government	—	—	—	254
Property held for development, net	—	—	—	16,646
Net pension asset	16,123	1,792	17,915	—
Capital assets, net:				
Nondepreciable	97,512	817,503	915,015	7,376
Depreciable	689,779	935,855	1,625,634	21,675
Total assets	1,359,432	2,284,029	3,643,461	92,493
Deferred outflow of resources	75,932	19,055	94,987	—
Total assets and deferred outflow of resources	1,435,364	2,303,084	3,738,448	92,493
Liabilities				
Accounts payable and accrued liabilities	19,672	26,258	45,930	3,175
Accrued salaries and other benefits	13,188	9,925	23,113	—
Accrued interest payable	150,180	14,587	164,767	—
Unearned revenue	3,196	4,995	8,191	—
Other liabilities	1,673	—	1,673	—
Payable to component unit	254	—	254	—
Payable to other government agencies	4	39	43	—
Long-term liabilities:				
Due within one year	119,330	133,736	253,066	23,344
Due in more than one year	1,893,979	741,687	2,635,666	38,584
Total liabilities	2,201,476	931,227	3,132,703	65,103
Deferred inflow of resources	122,633	8,619	131,252	—
Total liabilities and deferred inflow of resources	2,324,109	939,846	3,263,955	65,103
Net Position				
Net investment in capital assets	480,529	1,072,297	1,552,826	17,761
Restricted:				
Debt service	31,619	168,997	200,616	—
Capital projects	570	—	570	—
Passenger facility charges	—	23,180	23,180	—
Statutory restrictions	68,651	—	68,651	—
Unrestricted (deficit)	(1,470,114)	98,764	(1,371,350)	9,629
Total net position	\$ (888,745)	1,363,238	474,493	27,390

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Statement of Activities

Year ended June 30, 2019

(Dollars in thousands)

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position			
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government			Component unit SLDC
					Governmental activities	Business-type activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 65,208	47,626	1,212	—	(16,370)	—	(16,370)	—
Convention and tourism	4,580	—	—	—	(4,580)	—	(4,580)	—
Parks and recreation	31,549	6,858	464	—	(24,227)	—	(24,227)	—
Judicial	48,730	11,954	2,163	—	(34,613)	—	(34,613)	—
Streets	78,396	32,000	—	630	(45,766)	—	(45,766)	—
Public safety:								
Fire	78,063	16,116	821	—	(61,126)	—	(61,126)	—
Police	234,242	2,736	5,380	—	(226,126)	—	(226,126)	—
Other	64,540	24,190	1,159	—	(39,191)	—	(39,191)	—
Health and welfare	54,682	925	32,523	—	(21,234)	—	(21,234)	—
Public service	80,549	4,173	174	4,287	(71,915)	—	(71,915)	—
Community development	66,555	6,260	15,392	—	(44,903)	—	(44,903)	—
Interest and fiscal charges	59,025	—	—	—	(59,025)	—	(59,025)	—
Total governmental activities	866,119	152,838	59,288	4,917	(649,076)	—	(649,076)	—
Business-type activities:								
Airport	164,972	170,033	697	23,964	—	29,722	29,722	—
Water division	49,008	53,269	—	—	—	4,261	4,261	—
Parking division	15,046	18,857	—	—	—	3,811	3,811	—
Total business-type activities	229,026	242,159	697	23,964	—	37,794	37,794	—
Total primary government	\$ 1,095,145	394,997	59,985	28,881	(649,076)	37,794	(611,282)	—
Component unit:								
SLDC	\$ 25,590	17,058	9,338	—	—	—	—	805
General revenues:								
Taxes:								
Property taxes, levied for general purpose					\$ 90,355	—	90,355	—
Property taxes, levied for debt service					7,712	—	7,712	—
Sales taxes					231,436	—	231,436	—
Earnings/payroll taxes					230,627	—	230,627	—
Gross receipts taxes (includes franchise tax)					91,307	—	91,307	—
Miscellaneous taxes					4,165	—	4,165	—
Unrestricted investment earnings					5,155	10,197	15,352	962
Transfers					22,267	(22,267)	—	—
Total general revenues and transfers					683,024	(12,070)	670,954	962
Change in net position					33,948	25,724	59,672	1,767
Net position – beginning of year					(922,693)	1,337,514	414,821	25,623
Net position – end of year					\$ (888,745)	1,363,238	474,493	27,390

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Balance Sheet

Governmental Funds

June 30, 2019

(Dollars in thousands)

Assets	Major funds				Nonmajor funds	Total governmental funds
	General fund	Redevelopment projects fund	Capital projects fund	Grants fund	Other governmental funds	
Cash and cash equivalents:						
Restricted	\$ 5,205	2,730	48,073	898	4,020	60,926
Unrestricted	59,543	19,830	18,193	—	75,408	172,974
Investments:						
Restricted	11,960	4,629	28,404	—	12,027	57,020
Unrestricted	8,488	2,949	5,056	232	10,913	27,638
Receivables, net of allowances:						
Taxes	106,737	26,358	4,192	—	37,916	175,203
Licenses and permits	2,684	—	—	—	246	2,930
Intergovernmental	3,844	543	40	8,063	1,448	13,938
Charges for services	5,718	—	—	—	1,713	7,431
Other	380	—	—	—	637	1,017
Inventories	1,320	—	—	—	—	1,320
Prepaid asset	4,465	—	—	—	12	4,477
Due from other funds	6,605	6,996	—	—	37	13,638
Total assets	<u>\$ 216,949</u>	<u>64,035</u>	<u>103,958</u>	<u>9,193</u>	<u>144,377</u>	<u>538,512</u>
Liabilities, Deferred Inflow of Resources, and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 5,226	57	4,487	6,067	2,947	18,784
Accrued salaries and other benefits	12,160	10	32	369	580	13,151
Due to component unit	—	—	—	—	223	223
Due to other funds	5,273	—	553	1,867	1,771	9,464
Due to other governmental agencies	4	—	—	—	—	4
Advance to other funds	33,614	—	—	—	—	33,614
Unearned revenue	393	—	—	—	2,803	3,196
Other liabilities	1,704	—	—	—	—	1,704
Total liabilities	<u>58,374</u>	<u>67</u>	<u>5,072</u>	<u>8,303</u>	<u>8,324</u>	<u>80,140</u>
Deferred inflow of resources	<u>73,850</u>	<u>26,225</u>	<u>—</u>	<u>—</u>	<u>9,898</u>	<u>109,973</u>
Total liabilities and deferred inflow of resources	<u>132,224</u>	<u>26,292</u>	<u>5,072</u>	<u>8,303</u>	<u>18,222</u>	<u>190,113</u>
Fund balances (deficit):						
Nonspendable	5,785	—	—	—	11	5,796
Restricted	15,586	34,003	75,395	890	59,590	185,464
Committed	28,027	—	41,431	—	59,044	128,502
Assigned	—	3,740	—	—	7,510	11,250
Unassigned	35,327	—	(17,940)	—	—	17,387
Total fund balances	<u>84,725</u>	<u>37,743</u>	<u>98,886</u>	<u>890</u>	<u>126,155</u>	<u>348,399</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 216,949</u>	<u>64,035</u>	<u>103,958</u>	<u>9,193</u>	<u>144,377</u>	<u>538,512</u>

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2019

(Dollars in thousands)

Total fund balances – governmental funds – balance sheet	\$	348,399
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and certain other assets used in governmental activities, which exceed capitalization threshold amounts (excluding internal service fund capital assets), are not financial resources and, therefore, are not reported in the fund financial statements.		787,261
The City reports a net pension asset on the statement of net position relating to the Firemen's Retirement System. This asset is not reported in the fund financial statements.		16,123
Various taxes related to fiscal year 2019 will be collected beyond the 60-day period and are not recognized as revenue in the fund financial statements, but are recorded as deferred inflow of resources. Revenue for this amount is recognized in the government-wide financial statements.		8,347
Property taxes are assessed by the City on January 1st of each calendar year, but are not due until December 31st. Taxes assessed on January 1, 2019 and payable on December 31, 2019 are deferred inflows of resources within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements.		101,626
Internal service funds are used by management to charge the cost of risk management, mailroom services, health and equipment services to the individual funds, generally on a cost reimbursement basis. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.		12,250
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities – both current and long-term – are reported on the government-wide statement of net position. Also, during the year, the City issued new debt and refunded some of its existing debt. Discounts, premiums, and deferred amounts on refunding are reported in the governmental fund financial statements when the debt was issued, whereas these amounts are deferred and amortized over the life of the debt on the government-wide financial statements.		
Balances as of June 30, 2019 are:		
Accrued vacation and sick leave		(50,622)
Total OPEB liability		(550,161)
Net pension liability		(366,267)
Accrued interest payable		(150,180)
Joint venture financing agreement		(13,910)
Certificates of participation		(2,365)
Obligations with component unit		(78,577)
Energy loan program		(778)
Capital leases-rolling stock		(11,198)
Leasehold revenue improvement and refunding revenue bonds-public offerings		(363,845)
Leasehold revenue improvement and refunding revenue bonds-direct borrowings		(19,149)
Development and TIF bonds and notes payable-public offerings		(7,175)
Development and TIF bonds and notes payable-direct placements		(368,393)
General obligation bonds payable		(74,565)
Section 108 Loan Guarantee Assistance Programs		(11,750)
Loan agreement with FPF		(20,215)
Deferred outflow of resources		75,932
Deferred inflow of resources		(122,633)
Unamortized discounts		2,137
Unamortized premiums		(29,037)
Total net position – governmental activities – statement of net position	\$	<u>(888,745)</u>

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2019
(Dollars in thousands)

	Major funds				Nonmajor funds	
	General fund	Redevelopment projects fund	Capital projects fund	Grants fund	Other governmental funds	Total governmental funds
Revenues:						
Taxes	\$ 394,964	40,212	24,270	—	190,718	650,164
Licenses and permits	20,713	2	—	—	6,548	27,263
Intergovernmental	27,283	4,303	4,917	59,288	5,095	100,886
Charges for services, net	40,047	—	22	—	16,343	56,412
Court fines and forfeitures	3,169	—	—	—	37	3,206
Investment income	2,873	219	1,559	1	503	5,155
Interfund services provided	4,101	—	—	—	—	4,101
Miscellaneous	4,428	2,719	1,135	20	14,573	22,875
Total revenues	497,578	47,455	31,903	59,309	233,817	870,062
Expenditures:						
Current:						
General government	40,856	1,367	336	1,220	19,550	63,329
Convention and tourism	123	—	—	—	—	123
Parks and recreation	17,398	—	2,915	471	4,769	25,553
Judicial	43,022	—	—	2,122	3,650	48,794
Streets	37,915	—	4,305	—	900	43,120
Public safety:						
Fire	71,006	—	—	353	5,300	76,659
Police	163,719	—	—	5,501	33,139	202,359
Other	49,207	—	—	1,127	13,502	63,836
Health and welfare	3,510	—	—	32,486	18,394	54,390
Public services	31,720	—	4,144	148	43,867	79,879
Community development	—	33,617	18,443	14,495	—	66,555
Capital outlay	—	—	27,877	23	51	27,951
Debt service:						
Principal	15,767	15,907	13,223	1,430	11,041	57,368
Interest and fiscal charges	19,961	17,916	6,623	83	8,562	53,145
Total expenditures	494,204	68,807	77,866	59,459	162,725	863,061
Excess (deficiency) of revenues over expenditures	3,374	(21,352)	(45,963)	(150)	71,092	7,001
Other financing sources (uses):						
Sale of capital asset	—	—	144	—	—	144
Issuance of capital lease – rolling stock	—	—	7,000	—	—	7,000
Issuance of development and tax increment financing notes	—	23,303	—	—	—	23,303
Issuance of general obligation bonds	—	—	46,410	—	—	46,410
Premium on bond issuances	—	—	5,023	—	—	5,023
Transfers in	52,323	—	16,833	—	4,650	73,806
Transfers out	(8,948)	(4,830)	(2,902)	—	(34,859)	(51,539)
Total other financing (uses) sources, net	43,375	18,473	72,508	—	(30,209)	104,147
Net change in fund balances	46,749	(2,879)	26,545	(150)	40,883	111,148
Fund balances:						
Fund balance, beginning of year	37,976	40,622	72,341	1,040	85,272	237,251
Fund balance, end of year	\$ 84,725	37,743	98,886	890	126,155	348,399

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities

Year ended June 30, 2019

(Dollars in thousands)

Net change in fund balances – governmental funds – statement of revenues, expenditures, and changes in fund balances \$ 111,148

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets, meeting the capitalization threshold, is allocated over their estimated useful lives and recorded as depreciation expense. Additionally, contributions of capital assets to the City are recorded as capital contributions on the statement of activities. This is the amount by which capital outlays and capital contributions, meeting the capitalization threshold, exceeded depreciation expense in the current year. Details of the reported amounts

are as follows:

Capital outlay	27,951
Capital contribution	2,721
Loss on disposal of capital assets	(200)
Depreciation expense	<u>(60,325)</u>
	<u>(29,853)</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund financial statements. These amounts represent the extent to which revenues not providing current financial resources in the current fiscal year exceeded revenues not providing current financial resources in the prior fiscal year (which are recognized in the fund financial statements in the current year). Such amounts are attributable to the following factors:

Change in revenues received after the 60-day accrual period	(75)
Property taxes due in the fiscal year following the fiscal year in which they were assessed	<u>5,159</u>
	<u>5,084</u>

Internal service funds are used by management to charge the cost of risk management, mailroom services and health and equipment services to the individual funds. The change in net position of internal service funds attributable to governmental activities is reported on the statement of activities. 3,564

The City reports a net pension liability and deferred outflows and inflows relating to pensions on the statement of net position relating to its defined benefit pension plans. These accounts are not reported in the fund financial statements. Fluctuations in net pension liabilities and deferred outflows and inflows relating to pensions are reported in the statement of activities. (268)

The City reports a total other postemployment (OPEB) liability and deferred outflows and inflow of resources on the statement of net position relating to its OPEB plan. These accounts are not reported in the fund financial statements. The fluctuation in the OPEB liability and deferred inflow of resources are reported in the statement of activities. (25,821)

Bond proceeds are reported as financing sources in governmental funds financial statements and thus contribute to the net change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayments of principal is an expenditure in the governmental funds financial statements, but reduces the liability in the statement of net position.

Debt issued during the current year:

General obligation	(46,410)
Development and Tax increment financing bonds and notes payable	(23,303)
Capital Lease-rolling stock	<u>(7,000)</u>

Repayments during the current year:

Annual principal payments on bonds and notes payable	46,726
Annual principal payments on joint venture financing agreement	5,183
Annual principal payments on capital lease	4,719
Annual principal payments certificates of participation	<u>740</u>
	<u>(19,345)</u>

Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.

This adjustment combines the net changes of the following:

Accrued vacation and sick leave	342
Accrued interest payable	(7,631)
Unamortized discounts	(185)
Unamortized premiums	(2,429)
Deferred outflow of resources-bond refundings	<u>(658)</u>
	<u>(10,561)</u>

Change in net position – governmental activities – statement of activities	<u>\$ 33,948</u>
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See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Statement of Fund Net Position

Proprietary Funds

June 30, 2019

(Dollars in thousands)

Assets	Major funds – Enterprise funds				
	St. Louis Lambert International Airport	Water Division	Parking Division	Total Enterprise Funds	Internal Service Funds
Current assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	\$ 228,138	476	4,055	232,669	—
Unrestricted cash and cash equivalents	18,556	23,742	4,874	47,172	16,255
Investments:					
Unrestricted investments	37,871	19,755	10,854	68,480	1,660
Receivables, net of allowances:					
Intergovernmental	7,122	—	—	7,122	—
Charges for services	2,494	12,475	309	15,278	1,142
Passenger facility charges	2,429	—	—	2,429	—
Accrued interest	214	—	—	214	—
Prepaid assets	—	—	—	—	1,439
Due from other funds	—	—	—	—	6,557
Advance from other funds	—	—	—	—	33,614
Inventories	2,678	2,690	—	5,368	—
Other current assets	830	157	20	1,007	—
Total current assets	300,332	59,295	20,112	379,739	60,667
Noncurrent assets:					
Cash and cash equivalents:					
Restricted cash and cash equivalents	24,838	2,575	—	27,413	—
Investments:					
Restricted investments	83,369	—	4,809	88,178	—
Unrestricted investments	40,010	—	—	40,010	—
Capital assets:					
Property, plant, and equipment	1,865,892	316,117	85,135	2,267,144	107
Less accumulated depreciation	(1,122,614)	(169,342)	(39,333)	(1,331,289)	(77)
	743,278	146,775	45,802	935,855	30
Land, infrastructure and easements	754,469	1,238	22,903	778,610	—
Construction-in-progress	26,223	12,641	29	38,893	—
Capital assets, net	1,523,970	160,654	68,734	1,753,358	30
Intangibles and other assets, net	1,689	1,861	637	4,187	—
Net pension assets	1,792	—	—	1,792	—
Total noncurrent assets	1,675,668	165,090	74,180	1,914,938	30
Deferred outflow of resources	12,207	1,420	5,428	19,055	—
Total assets and deferred outflow of resources	1,988,207	225,805	99,720	2,313,732	60,697
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	5,783	8,505	459	14,747	888
Accrued salaries and other benefits	4,097	406	116	4,619	37
Accrued vacation and compensatory time benefits	3,316	1,809	181	5,306	—
Contracts and retainage payable	11,511	—	—	11,511	—
Accrued interest payable	14,319	103	165	14,587	—
Current portion of revenue bonds	129,750	439	3,547	133,736	—
Due to other funds	4,593	4,356	1,699	10,648	83
Due to other government agencies	—	—	39	39	—
Claims payable	—	—	—	—	21,282
Unearned revenue and other deposits	1,781	1,887	1,327	4,995	—
Total current liabilities	175,150	17,505	7,533	200,188	22,290
Noncurrent liabilities:					
Revenue bonds payable, net	629,146	7,194	56,841	693,181	—
Net pension liability	19,136	9,600	2,663	31,399	—
Customer deposits	—	1,825	—	1,825	—
Claims payable	—	—	—	—	26,157
Other liabilities	10,607	3,872	803	15,282	—
Total noncurrent liabilities	658,889	22,491	60,307	741,687	26,157
Deferred inflow of resources	7,313	862	444	8,619	—
Total liabilities and deferred inflow of resources	841,352	40,858	68,284	950,494	48,447
Net Position					
Net investments in capital assets	910,929	153,021	8,347	1,072,297	30
Restricted:					
Debt service	159,105	1,028	8,864	168,997	—
Passenger facility charges	23,180	—	—	23,180	—
Unrestricted	53,641	30,898	14,225	98,764	12,220
Total net position	\$ 1,146,855	184,947	31,436	1,363,238	12,250

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Statement of Revenues, Expenses, and
Changes in Fund Net Position

Proprietary Funds

Year ended June 30, 2019

(Dollars in thousands)

	Major funds – Enterprise funds				
	St. Louis Lambert International Airport	Water Division	Parking Division	Total Enterprise Funds	Internal Service Funds
Operating revenues:					
Aviation revenues	\$ 79,923	—	—	79,923	—
Concessions	31,112	—	—	31,112	—
Water sales	—	49,991	—	49,991	—
Lease revenue	5,662	—	—	5,662	—
Parking, net	23,737	—	18,849	42,586	—
Charges for services	—	—	—	—	38,359
Miscellaneous	—	2,629	—	2,629	1
Total operating revenues	<u>140,434</u>	<u>52,620</u>	<u>18,849</u>	<u>211,903</u>	<u>38,360</u>
Operating expenses:					
Claims incurred	—	—	—	—	26,538
Premiums	—	—	—	—	4,008
Personnel services	38,147	16,507	5,977	60,631	285
Material and supplies	5,420	10,654	307	16,381	3,118
Purchased power	—	3,263	—	3,263	—
Contractual services	37,467	6,993	1,331	45,791	867
Miscellaneous	1,616	2,701	1,850	6,167	—
Depreciation	58,844	6,271	2,947	68,062	11
Interfund services used	2,589	2,299	137	5,025	—
Total operating expenses	<u>144,083</u>	<u>48,688</u>	<u>12,549</u>	<u>205,320</u>	<u>34,827</u>
Operating income (loss)	<u>(3,649)</u>	<u>3,932</u>	<u>6,300</u>	<u>6,583</u>	<u>3,533</u>
Nonoperating revenues (expenses):					
Intergovernmental revenue	697	—	—	697	—
Investment income (loss)	8,817	820	560	10,197	31
Interest expense	(20,889)	(300)	(2,497)	(23,686)	—
Passenger facility charges	29,539	—	—	29,539	—
Loss on disposal of capital assets	—	(20)	—	(20)	—
Miscellaneous, net	60	649	8	717	—
Total nonoperating revenues (expenses), net	<u>18,224</u>	<u>1,149</u>	<u>(1,929)</u>	<u>17,444</u>	<u>31</u>
Income before transfers and capital contributions, net	<u>14,575</u>	<u>5,081</u>	<u>4,371</u>	<u>24,027</u>	<u>3,564</u>
Transfers in	—	—	935	935	—
Transfers out	(6,795)	(3,230)	(13,177)	(23,202)	—
Capital contributions	23,964	—	—	23,964	—
Total transfers and capital contributions, net	<u>17,169</u>	<u>(3,230)</u>	<u>(12,242)</u>	<u>1,697</u>	<u>—</u>
Change in net position	<u>31,744</u>	<u>1,851</u>	<u>(7,871)</u>	<u>25,724</u>	<u>3,564</u>
Net position – beginning of year	<u>1,115,111</u>	<u>183,096</u>	<u>39,307</u>	<u>1,337,514</u>	<u>8,686</u>
Net position – end of year	<u>\$ 1,146,855</u>	<u>184,947</u>	<u>31,436</u>	<u>1,363,238</u>	<u>12,250</u>

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Statement of Cash Flows

Proprietary Funds

Year ended June 30, 2019

(Dollars in thousands)

	Major funds – Enterprise funds				
	St. Louis Lambert International Airport	Water Division	Parking Division	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Receipts from customers and users	\$ 140,096	53,648	18,128	211,872	45,530
Other operating cash receipts	—	—	613	613	—
Payments to suppliers of goods and services	(48,947)	(20,072)	(3,694)	(72,713)	(39,518)
Payments to employees	(38,564)	(16,760)	(5,997)	(61,321)	(291)
(Payments)/receipts for interfund services used	(2,888)	(3,345)	—	(6,233)	—
Net cash provided by operating activities	49,697	13,471	9,050	72,218	5,721
Cash flows from noncapital financing activities:					
Interest paid on share of bond pension liability	—	(259)	—	(259)	—
Transfers from the State of Missouri	—	—	8	8	—
Transfers from other funds	—	—	935	935	—
Transfers to other funds	(6,795)	(3,205)	(13,177)	(23,177)	—
Net cash used in noncapital financing activities	(6,795)	(3,464)	(12,234)	(22,493)	—
Cash flows from capital and related financing activities:					
Cash collections from passenger facility charges	29,402	—	—	29,402	—
Receipts from federal financing assistance	6,000	—	—	6,000	—
Acquisition and construction of capital assets	(28,696)	(6,244)	(246)	(35,186)	—
Proceeds from sale of surplus property	83	—	—	83	—
Principal paid on revenue bond maturities	(35,780)	(430)	(3,404)	(39,614)	—
Cash paid for interest	(32,376)	(121)	(2,368)	(34,865)	—
Other capital and financing activities	120,012	625	—	120,637	—
Net cash provided by (used in) capital and related financing activities	58,645	(6,170)	(6,018)	46,457	—
Cash flows from investing activities:					
Purchase of investments	(159,226)	(39,074)	(4,997)	(203,297)	(11)
Proceeds from sales and maturities of investments	166,351	51,006	4,906	222,263	2
Investment income	3,969	703	489	5,161	—
Net cash provided by (used in) investing activities	11,094	12,635	398	24,127	(9)
Net increase (decrease) in cash and cash equivalents	112,641	16,472	(8,804)	120,309	5,712
Cash and cash equivalents:					
Beginning of year:					
Unrestricted	26,189	7,020	13,868	47,077	10,543
Restricted	132,702	3,301	3,866	139,869	—
	158,891	10,321	17,734	186,946	10,543
End of year:					
Unrestricted	18,556	23,742	4,874	47,172	16,255
Restricted	252,976	3,051	4,055	260,082	—
	\$ 271,532	26,793	8,929	307,254	16,255
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (3,649)	3,932	6,300	6,583	3,533
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	58,844	6,271	2,947	68,062	11
Amortization	—	235	—	235	—
Changes in assets and liabilities:					
Receivables, net	1,813	2,367	(68)	4,112	17
Inventories	(352)	(381)	—	(733)	—
Prepaid assets	—	—	—	—	39
Other assets, net	(100)	1,038	41	979	—
Accounts payable, accrued liabilities, accrued salaries, and other benefits	(5,435)	588	(32)	(4,879)	452
Claims payable	(255)	—	—	(255)	(5,485)
Unearned revenue and other deposits	—	87	(44)	43	—
Due to/from other funds	(158)	(130)	(39)	(327)	333
Advance to other funds	—	—	—	—	6,821
Customer deposits	—	(327)	—	(327)	—
Net pension liabilities	(238)	(46)	(12)	(296)	—
Other long term liabilities	(773)	(163)	(43)	(979)	—
Total adjustments	53,346	9,539	2,750	65,635	2,188
Net cash provided by operating activities	\$ 49,697	13,471	9,050	72,218	5,721
Supplemental disclosure for noncash activities:					
Unrealized loss on investments	\$ 4,784	34	52	4,870	—
Gain (loss) on disposal of capital assets	—	20	—	20	—
Capital contribution	16,227	—	—	16,227	—
Capital assets in contracts and retainage payable	11,511	—	—	11,511	—

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2019

(Dollars in thousands)

Assets	Pension Trust Funds (as of September 30, 2018*)	Agency Funds
Cash and cash equivalents – unrestricted	\$ 12,752	26,839
Cash and cash equivalents – restricted	—	314
Investments – restricted	—	552
Pension trust investments:		
Fixed income securities	175,097	—
Domestic bond funds	90,008	—
Stocks	624,930	—
Mortgage-backed securities	27,028	—
Collective investment funds	394,646	—
Real estate equities and investment trust	206,861	—
Investment property	890	—
Hedge funds	153,007	—
Money market mutual funds and other short-term investments	57,342	—
Managed master limited partnership	258,772	—
Managed international equity funds	183,939	—
Total investments	2,172,520	—
Receivables, net of allowances:		
Taxes	—	20,261
Contributions	87	—
Accrued interest	2,116	—
Other	4,131	680
Capital assets, net	693	—
Total assets	2,192,299	48,646
Deferred outflow of resources		
System's staff pension related	353	—
Total deferred outflow of resources	353	—
Total assets and deferred outflow of resources	2,192,652	48,646
Liabilities		
Accounts payable and accrued liabilities	2,102	4,098
Deposits held for others	651	15,215
Due to other governmental agencies	—	29,333
Other liabilities	7,388	—
Total liabilities	10,141	48,646
Deferred inflow of resources		
System's staff pension related	32	—
Total deferred inflow of resources	32	—
Total liabilities and deferred inflow of resources	10,173	48,646
Net position		
Net position restricted for pension benefits	\$ 2,182,479	—

*See note 10.

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year ended June 30, 2019

(Dollars in thousands)

	Pension Trust Funds (as of September 30, 2018*)
Additions:	
Contributions:	
Members	\$ 7,831
Employer	73,732
Investment income:	
Interest and dividends	26,332
Class action lawsuit proceeds	74
Net appreciation in fair value of investments	<u>114,862</u>
Investment gain	141,268
Less investment expense	<u>(10,955)</u>
Net investment gain	<u>130,313</u>
Total additions	<u>211,876</u>
Deductions:	
Benefits	163,637
Refunds of contributions	5,778
Administrative expense	<u>3,592</u>
Total deductions	<u>173,007</u>
Net increase	38,869
Net position restricted for pension benefits:	
Beginning of year	<u>2,143,610</u>
End of year	\$ <u><u>2,182,479</u></u>

See accompanying notes to basic financial statements.

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

(1) Summary of Significant Accounting Policies

The City of St. Louis, Missouri (the City) is a constitutional charter city not a part of any county, which is organized and exists under and pursuant to the constitution and laws of the State of Missouri (the State). The City's current form of government is provided for in its charter, which first became effective in 1914 and has been subsequently amended by City voters. The City provides a wide range of municipal services as follows: fire, police, and other public safety; parks and recreation; forestry; health, welfare, and other social services; street maintenance; refuse collection; public services; community and economic development; convention and tourism; and general administrative services. The City also owns and operates a water utility, parking facilities, and an international airport as self-supporting enterprises.

The accounting policies and financial reporting practices of the City conform to U.S. generally accepted accounting principles applicable to governmental entities. The following is a summary of the more significant policies:

Reporting Entity

The City's financial reporting entity has been determined in accordance with governmental standards for defining the reporting entity and identifying entities to be included in its basic financial statements. The City's financial reporting entity consists of the City of St. Louis (also referred to as the Primary Government) and its component units.

1) Blended Component Units

The component units discussed below are included in the City's reporting entity due to the significance of their operational or financial relationships with the City.

Public Facilities Protection Corporation (PFPC)

The PFPC is an internal service fund governed by a five-member board of persons in designated City positions. The PFPC is reported as if it were part of the primary government because its sole purpose is to provide the City with a defined and funded self-insurance program for claims, judgments, and other related legal matters, including workers' compensation.

St. Louis Municipal Finance Corporation (SLMFC)

The SLMFC, established in 1991, is governed by a five-member board, consisting of persons in designated City positions. The SLMFC is reported as if it were part of the primary government because its sole purpose is to lessen the burden on the City by financing, acquiring, leasing, or subleasing real property, and improvement thereon, and personal property to the City.

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

St. Louis Parking Commission Finance Corporation (SLPCFC)

The SLPCFC, established in 2003, is governed by a five-member board as appointed by the Parking Commission. The SLPCFC finances the purchase of and owns, leases, and sells certain real property on behalf of the Parking Commission. SLPCFC is considered to be a component unit of the City because the Parking Division of the City of St. Louis (the Parking Division) is financially accountable for SLPCFC, as it appoints all of SLPCFC's directors and is able to impose its will on SLPCFC. The SLPCFC provides services entirely to the Parking Division and is reported as if it were part of the Parking Division because its sole purpose is to lessen the burden on the Parking Division by coordinating real property transactions.

2) Discretely Presented Component Unit

The component unit column in the statement of net position and statement of activities include the financial data of the City's discretely presented component unit. This is reported individually to emphasize that it is legally separate from the City.

St. Louis Development Corporation (SLDC)

The SLDC was organized in 1988 to improve the efficiency and effectiveness of the economic development activities of the City. SLDC combines the administrative staffs of seven independent development agencies for the purpose of coordinating administrative services for all seven agencies. The agencies that are considered component units of SLDC are the Land Reutilization Authority (LRA), the Land Clearance for Redevelopment Authority (LCRA), the LCRA Holdings Corporation (LCRAH), the St. Louis Industrial Development Authority (IDA), the Planned Industrial Expansion Authority (PIEA), the Local Development Company (LDC), and the St. Louis Port Authority. SLDC is included as a component unit of the City because the City is financially accountable for SLDC, as SLDC is fiscally dependent upon the City. The City realizes a financial benefit through the development activity with SLDC and the City subsidizes any deficit that SLDC has. SLDC is considered to be fiscally dependent on the City because SLDC may not legally issue bonded debt or implement a budget for its redevelopment activities until the City's Board of Alderman has approved the redevelopment project and declared the redevelopment area blighted.

Complete financial statements of the discretely presented component unit may be obtained from their administrative offices as follows:

St. Louis Development Corporation
1520 Market Street, Suite 2000
St. Louis, Missouri 63103

3) Related Organizations

The City's officials are also responsible for appointing the voting majority of board members for other organizations, but the City's accountability for these organizations do not extend beyond making the appointments. Thus, no financial data for these organizations are included in the City's basic financial statements. These related organizations include the Mental Health Board, the St. Louis Housing Authority, the St. Louis Office for Mental Retardation & Developmental Disability Resources, Senior Citizen Service Board and the St. Louis Public Library.

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

4) Joint Venture

St. Louis Regional Convention and Sports Complex Authority (Authority)

The Authority, established in 1990 as a separate legal entity by an Act of the Missouri State legislature, is governed by an 11-member board of commissioners. The mayor of the City and the county executive of St. Louis County, Missouri (the County) each appoint three members and the governor of the State appoints the remaining five commissioners. The Authority is considered a joint venture of the City, the County, and the State because the three governments have entered into a contractual agreement with the Authority to sponsor the issuance of convention facility bonds, to repay the facility bonds through rental payments to the Authority, and to make annual preservation payments for facility maintenance and renovations, all of which create an ongoing financial responsibility of the City. The Authority is subject to joint control of the City, the County, and the State. Complete financial statements for the Authority can be obtained from the Authority's administrative offices at 901 North Broadway, St. Louis, Missouri 63101.

5) Pension Trust Funds

Financial information for the pension trust funds has been included within the accompanying financial statements as of September 30, 2018, which is the fiscal year end of the retirement plans, which falls within the City's current fiscal year end (also see note 10).

Government-wide and Fund Financial Statements

The government-wide financial statements (that is, the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for services. Likewise, the City is reported separately from its legally separate component unit for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenues not properly included among program revenues are reported instead as general revenues.

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City has determined that the general fund, the redevelopment projects fund, the capital projects fund, and the grants fund are major governmental funds. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide statements. The City has three enterprise funds (business-type activities): St. Louis Lambert International Airport (the Airport), the Water Division of the City of St. Louis (the Water Division), and the Parking Division. Each of these enterprise funds is a major fund within the fund financial statements. Additionally, the City has four internal service funds (governmental activities): PFPC, mailroom services, health and equipment services. All internal service fund activity is combined into a single column on the proprietary fund statements, since major fund reporting requirements do not apply to internal service funds.

The fund financial statements of the City are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund balances/net position, revenues and expenditures, or expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

1) Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The acquisition, uses, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the City's governmental major funds:

General Fund – The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Redevelopment Projects Fund – The redevelopment project fund is a special revenue fund that is used to record activity related to tax increment financing districts, funding associated with state subsidized redevelopment projects using super tax incrementing financing funds or Missouri Downtown Economic Stimulus Act (MODESA) funding or other development pledged revenues.

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

Capital Projects Fund – The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. This fund accounts for acquisition or construction of capital improvements, renovations, remodeling, and replacement for the City's major capital projects.

Grants Fund – The grants fund is a special revenue fund that is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. The grants fund accounts for the majority of the City's federal grant programs received from the U.S. Department of Health and Human Services, U.S. Department of Housing and Urban Development, U.S. Department of Justice, U.S. Department of Labor, U.S. Department of Transportation, and various other federal agencies.

The other governmental funds of the City are considered nonmajor. They are special revenue funds, which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, and a debt service fund, which accounts for the accumulation of resources for, and repayment of, general obligation long-term debt principal, interest, and related costs.

2) Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income and capital maintenance.

The following are the City's proprietary fund types:

Enterprise – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (including depreciation) of operations are financed primarily through user charges. Enterprise funds have been established for the Airport, the Water Division, and the Parking Division. The Airport is used to account for the activities of the Airport. The principal services provided are financed primarily through landing fees and terminal concession revenues. The Water Division is used to account for sale of water to the general public and the operation of the water delivery system. The Parking Division is used to account for the operation of public parking facilities and parking meters. Each of the enterprise funds is a major fund in the fund financial statements.

Internal Service – Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis. An internal service fund has been established for PFPC, mailroom services, health, and equipment service. The PFPC fund is used to account for payment of workers' compensation and various other claims against legal actions on behalf of other funds. The mailroom services fund is used to account for mail-handling services provided to other funds. The health fund is used to account for payment of health insurance claims for participants. The equipment service fund is used for the purchase and distribution of fuel to various city departments.

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

3) Fiduciary Fund Types

Trust and Agency – Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. These include pension trust funds and agency funds. Pension trust funds are accounted for and reported similar to proprietary funds. The pension trust funds account for the Firemen's Retirement System of St. Louis (Firemen's System), the Firefighters' Retirement Plan (Firefighters' Plan), the Police Retirement System of St. Louis (Police System), and the Employees Retirement System of the City of St. Louis (Employees System) pension benefits. Agency funds are accounted for using the accrual basis of accounting. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of the collector of revenue, property tax escrow, general insurance, bail bonds, license collector, circuit clerk, police, treasurer's office and other agency operations.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as are the proprietary fund, pension trust fund, and discretely presented component unit financial statements. Agency funds adhere to the accrual basis of accounting, and do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. At year-end, entries are recorded for financial reporting purposes to reflect the modified accrual basis of accounting for governmental fund types, and the accrual basis of accounting for the proprietary fund types, pension trust funds, and agency funds.

Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. The term "available" is defined as collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. For the City, available is defined as expected to be received within 60 days of fiscal year-end, except for government grants, which is within 120 days of fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due (that is, matured).

Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, groups nonexchange transactions into the following four classes, based upon their principal characteristics: derived tax revenues, imposed nonexchange revenues, government mandated nonexchange transactions, and voluntary nonexchange transactions.

CITY OF ST. LOUIS, MISSOURI
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(Dollars in thousands)

The City recognizes assets from derived tax revenue transactions (such as city earnings and payroll taxes, sales and utilities gross receipt taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as unearned revenues until the period of the exchange.

The City recognizes assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used for the first period that use is permitted. The City recognizes revenues from property taxes, net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are levied. Imposed nonexchange revenues also include permits, court fines, and forfeitures.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB Statement No. 33, have been met. Any resources received before eligibility requirements are met are reported as deferred inflows of resources.

Charges for services in the governmental funds, which are exchange transactions and are, therefore, not subject to the provisions of GASB Statement No. 33, are recognized as revenues when received in cash because they are generally not measurable until actually received, with the exception of refuse charges.

Under the accrual basis of accounting used by the proprietary fund types and pension trust funds, revenues are recognized when earned and expenses are recognized when incurred. Unbilled service revenues are accrued by the Airport and the Water Division based on estimated billings for services provided through the end of the current fiscal year.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Airport enterprise fund are revenues from airlines, concessions, and parking. Transactions that are capital, financing, or investing related are reported as nonoperating revenues. The principal operating revenues of the Water Division enterprise fund, the Parking Division enterprise fund, and internal service funds are charges to customers for sales and services. All expenses related to operating the Airport enterprise fund are reported as operating expenses. Interest expense, financing costs, and miscellaneous expenses are reported as nonoperating expenses. Operating expenses for the Water Division enterprise fund, the Parking Division enterprise fund, and internal service funds include the cost of sales and services, administrative expenses, and depreciation and amortization. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources, as they are needed.

For the pension trust funds, under the accrual basis of accounting, contributions are recognized in the period in which the contributions are due and benefits are recognized when they become due and payable.

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

Property Taxes

Taxes are levied annually in November based on the assessed valuation of all real and personal property located in the City as of the previous January 1 and use is first permitted the following fiscal year. The City tax rate levied in November 2018 was \$1.6252 per \$100 (in dollars) of assessed valuation of which \$1.4919 (in dollars) is for the general fund and \$0.1333 (in dollars) is for the debt service fund. Taxes are billed in November and are due and collectible on December 31. All unpaid taxes become delinquent on January 1 of the following year and attach as an enforceable lien on the related property at that date.

Cash and Investments

The City Treasurer maintains a cash and investment pool that is available for use by all funds, including certain component units, except pension trust funds. In accordance with the City's budget ordinance the majority of investment income is considered earned by the general fund except for earnings otherwise legally restricted for a specific purpose. Income from investments associated with one fund is not assigned to another fund for other than legal or contractual reasons. In addition, cash and investments are separately maintained by other City officials, several of the City's departments and third-party trustee and fiscal agents.

Investments are recorded at fair value. Fair values for investments are determined by closing market prices at year-end, based on quotations from national security exchanges or by using other observable inputs as reported by the respective investment custodian.

The City invests in various investments. Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the fair values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Inventories

Inventories are recorded at cost using a method that approximates the first-in, first-out method or the moving average cost method, and the expense is recognized when inventories are consumed in operations.

Capital Assets

1) Governmental Activities Capital Assets

Capital assets, which include buildings, improvements, equipment, and infrastructure assets (for example, roads, bridges, docks, promenade, traffic signals, and similar items), are reported in the governmental activities column in the government-wide financial statements, net of accumulated depreciation. Capital assets are defined by the City as assets with an estimated useful life in excess of one year with an initial, individual cost of \$5 or more, infrastructure with a cost of \$500 or more, building improvements with a cost of \$100 or more, and all land, land improvements, and buildings.

CITY OF ST. LOUIS, MISSOURI
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June 30, 2019
(Dollars in thousands)

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation. General infrastructure assets acquired prior to July 1, 2001 consist of the road network and other infrastructure assets that were acquired or that received substantial improvements subsequent to June 30, 1980 and are reported at estimated historical cost using deflated replacement cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

The City has determined that all works of art and historical treasures other than the City's statues, monuments, and fountains meet the definition of a collection, and accordingly, has not capitalized these assets. A collection is defined as:

- Held for public exhibition and education
- Protected, cared for, and preserved
- Subject to an organizational policy that requires the proceeds from the sale to be used to acquire other items for the collection.

The City has adopted a policy related to the sale of these assets, stating that the proceeds from the sale of any City-owned collections, in part or in its entirety, will be used for the acquisition of collection items.

All City-owned statues, monuments, and fountains are capitalized at their historic cost based upon original acquisition, construction documents, or estimates of original costs. Donated items are reported at acquisition value. Because of the nature of these assets and the manner in which the City maintains its historic treasures, these assets are considered inexhaustible, and therefore, are not subject to depreciation.

Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed on the straight-line method over the estimated useful lives of the various classes of assets, except for roads, which is computed using the composite method. The estimated useful lives of depreciable capital assets are as follows:

	<u>Years</u>
Buildings	40 to 99
Improvements other than buildings	3 to 40
Equipment	3 to 20
Police automotive equipment	3 to 15
Infrastructure	18 to 50
Intangibles	3 to 10

CITY OF ST. LOUIS, MISSOURI
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June 30, 2019
(Dollars in thousands)

City management has evaluated prominent events or changes in circumstances affecting capital assets to determine whether any impairments of capital assets have occurred. Such events or changes in circumstances that were considered by the City management to be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage.

2) Business-Type Activities Capital Assets

Capital assets for the Airport, the Water Division, the Parking Division, and the mailroom are reported in the business-type activities column in the government-wide financial statements, net of accumulated depreciation.

3) Airport

Capital assets are recorded at historical cost. Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed on the straight-line method over the estimated useful lives of the various classes of assets. Land is recorded at cost, which, in addition to the purchase price, includes appraisal and legal fees, demolition, and homeowner relocation costs. Net interest costs on funds borrowed to finance the construction of capital assets are capitalized and amortized over the life of the related asset. The estimated useful lives of capital assets are as follows:

	<u>Years</u>
Pavings	5 to 30
Buildings and facilities	5 to 30
Equipment	3 to 20

4) Water Division

Capital assets were originally recorded in the accounts in 1958 and were based on an engineering study of the historical cost of properties constructed by employees of the Water Division. Accumulated depreciation, at the date the assets were recorded, was established after a review by a consulting firm.

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Additions to capital assets subsequent to 1958 are recorded at historical cost. Provisions for depreciation of the capital assets are computed on a straight-line basis over the estimated useful lives of the assets and are charged to operating expenses. The estimated useful lives of depreciable assets are as follows:

	<u>Years</u>
Buildings and structures	44 to 55
Pumping equipment	28 to 44
Hydrants, transmission mains and lines	50 to 100
Meters	33
Other equipment	5 to 25

Net interest costs on funds borrowed to finance the construction are capitalized and depreciated over the life of the related asset.

5) Parking Division

Capital assets are recorded at historical cost, including applicable interest incurred during the construction period. Donated capital assets are recorded at their acquisition market value at the date of donation. The contributions are reflected as capital contributions. Depreciation is computed using the straight-line method over the estimated useful lives of the various classes of assets. The estimated useful lives of assets for depreciable capital assets are as follows:

	<u>Years</u>
Buildings, land improvements, and parking garages	5 to 40
Equipment	5 to 15
Parking meters and lot equipment	5 to 10

Nondepreciable assets include land.

6) Mailroom

Capital assets are recorded at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the various classes of assets. The estimated useful life of equipment, other than computer equipment, is 10 years. The estimated useful life of computer equipment is 5 years.

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7) Component Unit – SLDC

SLDC's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost. Historically, SLDC has maintained infrastructure asset records consistent with all other capital assets. SLDC generally capitalizes assets with costs of \$2,500 (in dollars) or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are generally treated as follows:

	<u>Years</u>
Leasehold improvements	40
Parking facilities (includes infrastructure)	3 to 40
Equipment	3 to 10

Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position/statement of fund net position.

Pensions

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the net pension liability, deferred outflow of resources, deferred inflow of resources and pension expense have been recognized in the financial statements.

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of service and the plans' fiduciary net position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflow and inflow of resources due to pension assets and liabilities.

For purposes of measuring the net pension liability, deferred outflow of resources, deferred inflow of resources, pension expense and expenditures associated with the City's contribution requirements, information about the fiduciary net position of the retirement plans, and addition to/deductions from the retirement plans' fiduciary net position have been determined on the same basis as they are reported within the separately issued retirement plans' financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with terms of the plan. Investments are reported at fair value.

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Passenger Facility Charges (PFCs)

The Airport collects a \$4.50 (in dollars) facility charge per enplaned passenger to fund approved Federal Aviation Administration (FAA) projects. The PFCs are withheld by the respective airlines for each ticket purchased and passenger transfer made in St. Louis and remitted to the Airport one month after the month of receipt, less an \$0.11 (in dollars) per ticket operating fee retained by the airlines. PFCs represent an exchange-like transaction and are recognized as nonoperating revenue based upon passenger enplanements. Passenger facility charges receivable as of June 30, 2019 were \$2,429. This amount was collected during July and August 2019.

Capital Contributions

Capital contributions to the proprietary fund type represent government grants and other aid used to fund capital projects. Capital contributions are recognized as revenue when the expenditure is made and amounts become subject to claim for reimbursement. Amounts received from other governments by the proprietary fund type, which are not restricted for capital purposes, are reflected as nonoperating intergovernmental revenue.

Capitalization of Interest

Net interest costs on funds borrowed to finance the construction of capital assets are capitalized and depreciated over the life of the related asset for business-type activities and proprietary fund types. Interest is not capitalized for governmental activities or governmental fund types.

Bond Premiums, Discounts, and Issuance Costs

In government-wide financial statements and the proprietary fund types in the fund financial statements, bond discounts are recorded as a reduction of the debt obligation and bond premiums are recorded as an addition to the debt obligation. Such amounts are amortized using the interest method or bonds-outstanding method over the term of the related revenue bonds. Bond issuance costs are recognized as an outflow of resources and expensed rather than amortized.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are included in interest expense when incurred.

Deferred Inflow/Outflow of Resources

A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period and a deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources has a negative impact on net position similar to liabilities but is required to be reported within the statement of net position in a separate section following liabilities and the total may be added to the total for liabilities. A deferred outflow of resources has a positive effect on net position similar to assets but is required to be reported in the statement of net position in a separate section following assets and the total may be added to the total for assets.

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Deferred outflow/inflow of resources include 1) unamortized losses/gains on bond refundings, which are deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt, 2) contributions made to retirement plans after the pension liability measurement date, and 3) various other pension and OPEB related amounts (see note 10 and 11).

As of June 30, 2019, deferred outflow/inflow of resources for the government wide financial statements consist of the following:

Deferred outflow of resources:	
Pension related:	
FRS	\$ —
FRP	20,795
PRS	1,304
ERS	21,454
OPEB	29,158
Loss on bond defeasance/refunding	22,276
	<u>\$ 94,987</u>
Deferred inflow of resources:	
Pension related:	
FRS	\$ 19,144
FRP	18,916
PRS	69,460
ERS	9,558
OPEB	11,472
Gain on bond defeasance/refunding	2,702
	<u>\$ 131,252</u>

Vacation and Sick Leave

The vacation and sick policy for all departments of the City, except the police department are as follows:

The City grants vacation to full-time and part-time employees who work 50% of full-time or more based on years of continuous service. The entire accrued benefit liability related to the City's vacation and sick leave has been recorded in the government-wide financial statements and in the proprietary funds in the fund financial statements. Amounts have been recorded in the governmental fund financial statements as part of accrued salaries and other benefits, since such amounts came due (that is, matured) during the fiscal year ended June 30, 2019.

Nonuniformed employees retiring after June 30, 2001 who have an unused sick leave balance may, at retirement, elect to receive payment for one-half of the sick leave balance. As an estimate of the portion of sick leave that will result in termination payments, a liability has been recorded on the government-wide

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financial statements and the proprietary funds in the fund financial statements representing one-half of the accumulated sick leave balance for those employees who will be eligible to retire within five years.

The vacation and sick leave policy for the employees of the police department are as follows:

Vacation and designated holiday pay is granted to full-time employees based on years of continuous service and will be paid to employees upon resignation, retirement, or death.

Both commissioned and civilian employees accumulate sick leave hours and will be paid a minimum of 25% of their unused sick leave upon termination of employment. The liability for accrued sick leave pay has been calculated using the vesting method. Commissioned and civilian employees retiring from St. Louis Police Department (SLPD) with 1600+ hours of sick leave accrued and 20+ years of service will be paid 25% of their unused sick leave plus one additional month's salary. Commissioned employees retiring from SLPD with 2200+ hours of sick leave accrued and 30+ years of service will be paid 50% of their unused sick leave. Civilian employees retiring from SLPD with 2200+ hours of sick leave accrued and who have 85 points (years of service plus age) or reached age 65 will be paid 50% of their unused sick leave.

Effective June 30, 2017, at point of termination all benefit payouts for commissioned employees are paid out immediately. Effective June 30, 2016, at point of termination all benefits payouts for civilian employees are paid out at termination unless a retiring civilian employee elects to have their sick leave paid out in accordance with administrative regulation 140, which permits an employee to receive four (4) equal payments occurring every six (6) months for two (2) years following retirement from active service.

Interfund Transactions

In the fund financial statements, the City has the following types of transactions among funds:

1) Transfers

Legally authorized transfers are reported when incurred as transfers in by the recipient fund and as transfers out by the disbursing fund.

2) Interfund Services Provided/Used

Charges or collections for services rendered by one fund for another are recognized as revenues (interfund services provided) of the recipient fund and expenditures or expenses (interfund services used) of the disbursing fund. These transactions are recorded as interfund services because they would be treated as revenues and expenditures or expenses if they involved organizations external to the City.

Within the accompanying activity from the statement of activities, interfund services provided and used are not eliminated from the various functional categories. Transfers are eliminated from the various functional categories.

Certain internal payments are treated as program revenues, such as internal services provided and used. Certain internal payments are treated as a reduction of expense, such as reimbursements.

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Fund Balance Designation

In the governmental fund financial statements the City maintains nonspendable, restricted, committed, assigned, and unassigned fund balances.

Within the fund financial statements, the fund balance is reported as follows:

- **Nonspendable:** This consists of resources not in spendable form or are legally or contractually required to remain intact.
- **Restricted:** This consists of amounts that can be spent only for the specific purpose stipulated by constitution, external parties (e.g., grantors, creditors, or other governments), or enabling legislation.
- **Committed:** This consists of amounts that can only be used for specific purposes pursuant to formal action of the government's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit these amounts. Committed balances are classified as such as a result of the City of St. Louis Board of Aldermen taking formal action and adopting an ordinance, which can only be modified or rescinded by a subsequent formal action.
- **Assigned:** This consists of amounts constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Per City policy, assigned balances are a result of the Board of Estimate and Apportionment approval and authorization of projects or actions prior to July 1, 2019.
- **Unassigned:** This consists of residual fund balances that do not meet the criteria of nonspendable, restricted, committed, or assigned. The General Fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the General Fund can only report negative unassigned fund balance amount.

The City's policy is to apply expenditures to restricted resources first, then committed, then assigned, and unassigned, respectively, as applicable.

Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

1) Net Investment in Capital Assets

This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition and construction of those assets.

2) Restricted

This consists of net position that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Net position restricted by statutory restrictions represents tax and other revenue sources that are required by statute to be expended only for a specific purpose or purposes.

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3) Unrestricted

This consists of net position that do not meet the definition of “restricted” or “invested in capital assets.”

Statements of Cash Flows

For the purpose of the statements of cash flows, cash and cash equivalents are defined as all highly liquid investments (including restricted assets) with a maturity of three months or less at the date of purchase.

Use of Estimates

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenue, expenses, and expenditures during the reporting period. Actual results could differ from those estimates.

Individual Fund Deficit

At June 30, 2019, the Mailroom Services and Equipment Services internal service funds have deficit net position balance of \$3 and \$662, respectively. The amount will be offset by future charges for services.

Current Adoption of GASB Statements

GASB Statement No. 83, *Certain Asset Retirement Obligations* – The objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations by establishing criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2018. The requirements of this statement are effective for the City for the year ended June 30, 2019, and had no effect on the City’s financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* – an Amendment of GASB Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments* and No. 38, *Certain Financial Statement Note Disclosures* to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. The requirements of this statement were adopted by the City for the year ended June 30, 2019 and related to footnote disclosures.

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(2) Deposits and Investments

(a) Primary Government

The following is a reconciliation of the City's deposit and investment balances as of June 30, 2019:

As the investment strategies and associated risks for the Firemen's System, the Firefighters' Plan, the Police System, and the Employees System are substantially different than those of the remainder of the primary government, the deposit and investment disclosures for the Firemen's System, Firefighters' Plan, Police System, and Employees System are presented separately from those of the remainder of the primary government.

	Cash and cash equivalents	Investments	Restricted cash	Restricted investments	Total
Government-wide statement of net position	\$ 236,401	137,788	321,008	145,198	840,395
Fiduciary statement of fiduciary net position – agency funds	26,839	—	314	552	27,705
Total primary government excluding pension trust funds	263,240	137,788	321,322	145,750	868,100
Fiduciary statement of fiduciary net position – pension trust funds:					
Firemen's System	3,801	478,043	—	—	481,844
Firefighter's Plan	222	77,510	—	—	77,732
Police System	8,343	790,218	—	—	798,561
Employees System	386	826,749	—	—	827,135
Total pension trust funds	12,752	2,172,520	—	—	2,185,272
Total primary government	\$ 275,992	2,310,308	321,322	145,750	3,053,372

1) Primary Government Excluding Pension Trust Funds

Investments are recorded at fair value. Fair value for investments is determined by closing market prices at year-end, as reported by the respective investment custodian or by using other observable inputs as reported by the respective investment custodian.

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Certificates of deposit are defined as investments for statement of net position/balance sheet/statement of fund net position classification and cash flow purposes; for custodial risk disclosure; however, they are described below as cash deposits. In addition, money market mutual funds are classified as cash on the statement of net position /balance sheet/statement of fund net position, but as investments for custodial risk disclosure.

As of June 30, 2019, the primary government (excluding the pension trust funds) had the following cash deposits and investments:

Federal National Mortgage Association	\$ 26,467
Federal Home Loan Mortgage Corp.	5,132
Federal Home Loan Bank	28,907
United States Treasuries	210,744
International bank notes	16,714
Commercial paper	31,523
Money market mutual funds	103,460
Certificates of deposit	44,229
Other cash deposits	400,924
	<hr/>
	\$ 868,100

State statutes and City investment policies authorize the deposit of funds in financial institutions and trust companies. Investments may be made in obligations of the U.S. Government or any agency or instrumentality thereof; bonds of the State, the City, or any city within the state with a population of 400,000 inhabitants or more; or time certificates of deposit. In addition, the City may enter into repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of the U.S. Government agencies or instrumentalities of any maturity as provided by law. City funds in the form of cash on deposit or time certificates of deposit are required to be insured or collateralized by authorized investments held in the City's name.

Additionally, the City's indentures with its bond trustees also permit City bond proceeds to be invested in commercial paper having an original maturity of 270 days or less and rated "A-1" or better by Standard & Poor's Corporation and "P-1" by Moody's Investors Service, money market funds rated "AAAM" or "AAAM-G" by Standard & Poor's Corporation, and other obligations fully and unconditionally guaranteed by the U.S. Government. These investments, while permitted by the indentures with the bond trustees, are not permitted by the Investment Policy for the City of St. Louis, Missouri (Investment Policy).

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Fair Value Measurements

The City applies the provisions of GASB Statement No. 72 for the fair value measurements of financial assets and financial liabilities and for the fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. GASB Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the entity has the ability to access at the measurement date. Level 1 investments include U.S. treasury obligations.
- Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities. Level 2 investments include commercial paper, bank notes, money market mutual funds, certificates of deposit and U.S. government agency obligations.
- Level 3 inputs are significant unobservable inputs for the asset. The City had no Level 3 investments as of June 30, 2019.

The following table presents assets that are measured at fair value on a recurring basis at June 30, 2019:

	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. government agency obligation	\$ 60,506	—	60,506	—
United States Treasuries	210,744	210,744	—	—
International bank notes	16,714	—	16,714	—
Commercial paper	31,523	—	31,523	—
Certificates of deposit	44,229	—	44,229	—
Money market mutual funds	103,460	—	103,460	—
	<u>\$ 467,176</u>	<u>210,744</u>	<u>256,432</u>	<u>—</u>

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Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The City seeks to minimize its exposure to fair value losses arising from changes in interest rates by selecting investments in adherence to the Investment Policy. The Investment Policy provides that, to the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities or make a time deposit with a stated maturity or more than five years from the date of purchase. The average maturity for collateral provided to the City for deposits in connection with a repurchase agreement shall not exceed five years without the written approval of the Treasurer. In connection with any outstanding bond issue, debt service reserve funds may be invested to a maximum maturity of the bond issue.

The investments of the primary government (excluding the pension trust funds) had the following maturities on June 30, 2019:

	<u>Fair value</u>	<u>Investment maturities (in years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Federal National Mortgage Association	\$ 26,467	9,316	17,151	—	—
Federal Home Loan Mortgage Corp.	5,132	4,485	647	—	—
Federal Home Loan Bank	28,907	10,824	18,083	—	—
United States Treasuries	210,744	111,798	98,394	552	—
International bank notes	16,714	3,603	13,111	—	—
Commercial paper	31,523	31,523	—	—	—
Certificates of deposit	44,229	44,229	—	—	—
Money market mutual funds	103,460	103,460	—	—	—
	<u>\$ 467,176</u>	<u>319,238</u>	<u>147,386</u>	<u>552</u>	<u>—</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Investment Policy provides that investments of the City be rated in one of the three highest ratings categories by Moody's Investors Service, Standard & Poor's Corporation, or Fitch's Ratings Service.

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The investments of the primary government (excluding the pension trust funds) were rated as follows by Moody's Investors Service, Standard & Poor's Corporation, or Fitch's Ratings Service as of June 30, 2019:

	<u>Fair value</u>	<u>AAA</u>	<u>A-1+</u>	<u>AA+</u>	<u>A-1</u>	<u>Not rated</u>
Federal National Mortgage Association	\$ 26,467	—	—	19,826	—	6,641
Federal Home Loan Mortgage Corp.	5,132	—	—	5,132	—	—
Federal Home Loan Bank	28,907	—	—	20,123	—	8,784
United States Treasuries*	210,744	—	—	122,278	—	88,466
International bank notes	16,714	16,714	—	—	—	—
Commercial paper	31,523	—	9,711	—	21,812	—
Certificates of deposit	44,229	10,854	—	—	—	33,375
Money market mutual funds	103,460	4,055	—	—	—	99,405
	<u>\$ 467,176</u>	<u>31,623</u>	<u>9,711</u>	<u>167,359</u>	<u>21,812</u>	<u>236,671</u>

* The City's investments in United States Treasuries are explicitly guaranteed by the United States government and therefore do not require a rating.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of the investments, collateral securities, or deposits that are in the possession of the counterparty. Custodial credit risk is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of the investments or collateral securities that are in the possession of the counterparty.

The Investment Policy requires that all cash deposits, time certificates of deposit, deposits with listed institutions, and repurchase agreements be covered by adequate pledged collateral. Acceptable collateral includes U.S. Treasury obligations, other interest-bearing securities guaranteed as to principal and interest by the United States or an agency or instrumentality of the United States, bonds of the State, or bonds of the City. The market value of the principal and accrued interest of the collateral must equal 103% of the deposits secured, less any amount subject to federal deposit insurance. All City securities and securities pledged as collateral must be held in a segregated account on behalf of the City by an independent third party with whom the City has a current custodial agreement and has been designated by the Treasurer and Funds Committee as eligible to serve in such a capacity.

At June 30, 2019, the following City investments are held by the counterparty's trust department or agent, and are not in the City's name: \$1,698 of Federal Home Loan Mortgage Corporation securities, \$2,040 Federal Home Loan Bank securities, and \$22,200 of United States Treasury Notes. All remaining City investments and collateral securities pledged against City deposits are held by the counterparty's trust department or agent in the City's name.

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Concentration of Credit Risk

The Investment Policy provides that, with the exception of U.S. Treasury Securities and Other Cash Deposits, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

At June 30, 2019, the concentration of the City's deposits and investments was as follows:

Federal National Mortgage Association	3.05 %
Federal Home Loan Mortgage Corp.	0.59
Federal Home Loan Bank	3.33
United States Treasuries	24.28
International bank notes	1.93
Commercial paper	3.63
Money market mutual funds	11.92
Certificates of deposit	5.09
Other cash deposits	46.18
	<hr/>
	100.00 %

2) Primary Government – Pension Trust Fund – Firemen's System

As of September 30, 2018, the Firemen's System had the following cash deposits and investments:

Common stock	\$	169,058
Collective investment – equity		77,682
Limited partnership units		19,114
Hedge funds – equity		50,975
Collective investment – bonds		87,601
Fixed income securities		13,108
Domestic bond funds		3,632
Mortgage-backed securities		2,781
Real estate investment trust		46,455
Money market funds		7,637
Other cash deposits		3,801
		<hr/>
	\$	481,844

Investments are stated at fair value. Fair values are based on the last reported sales price on September 30 or on the last reported bid price if no sale was made on that date. Certain investments are recorded at net asset value (NAV) as a practical expedient or at fair value per investment managers. The Firemen's System cash deposits are collateralized with securities held by the pledging financial institution in the Firemen's Systems name.

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Fair Value Measurement and Application. GASB No. 72 was issued to address accounting and financial and reporting issues related to fair value measurements. The Firemen's System categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The Firemen's System has the following recurring fair value measurements as of September 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Corporate stocks:				
Domestic	\$ 110,460	—	—	110,460
International	58,598	—	—	58,598
Collective investment funds – government bonds, agencies, and mortgaged-backed securities	—	5,276	—	5,276
Fixed income securities				
Domestic	—	13,108	—	13,108
Collective investment funds:				
International equity	58,229	—	—	58,229
Domestic equity	19,453	—	—	19,453
Collective investment funds – domestic fixed income	—	82,325	—	82,325
Domestic bond funds	—	3,632	—	3,632
Mortgage-backed bonds	—	2,781	—	2,781
Money market mutual funds	7,637	—	—	7,637
Total investments	\$ <u>254,377</u>	<u>107,122</u>	<u>—</u>	<u>361,499</u>
Investments measured at net asset value (NAV):				
Hedge funds				50,975
Real estate investment trust				46,455
Limited partnership units				<u>19,114</u>
Total investments measured at NAV				<u>116,544</u>
Total investments measured at fair value				<u>\$ 478,043</u>

For the investments measured at NAV at September 30, 2018:

- There were no unfunded purchase commitments.
- Redemption frequency, when currently eligible, is quarterly.
- Notice period for redemptions is 1 to 90 days.

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The Firemen's System's investments are continuously exposed to various types of inherent risks. These risks are mitigated by the Firemen's System's development and continual monitoring of sound investment policies. The investment maturities, credit rating by investment, and foreign currency exposures by asset class schedules are presented to provide an illustration of the Firemen's System's current level of exposure to various risks.

The following schedule provides a summary of the fixed income investment maturities by investment category, which helps demonstrate the current level of interest rate risk assumed by the Firemen's System as of September 30, 2018:

	Fair value	Investment maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Collective investment – bonds \$	87,601	3,178	27,010	35,907	21,506
Fixed income securities	13,108	712	6,263	3,173	2,960
Domestic bond funds	3,632	247	2,215	873	297
Mortgage-backed securities	2,781	—	—	—	2,781
	<u>\$ 107,122</u>	<u>4,137</u>	<u>35,488</u>	<u>39,953</u>	<u>27,544</u>

The Firemen's System's fixed income investments level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2018:

Credit rating	Total	Collective investment	Fixed income	Domestic bond	Mortgage-backed
AAA	\$ 41,889	38,857	—	3,032	—
AA	7,965	3,409	1,175	600	2,781
A	17,566	8,937	8,629	—	—
BBB	27,273	24,163	3,110	—	—
BB	5,658	5,658	—	—	—
B	4,932	4,932	—	—	—
Not rated	1,839	1,645	194	—	—
	<u>\$ 107,122</u>	<u>87,601</u>	<u>13,108</u>	<u>3,632</u>	<u>2,781</u>

Certain collective investment funds are classified by average credit rating levels of the portfolios.

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Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Firemen's System's policy is to allow the individual investment managers to decide what action to take regarding their respective portfolio's foreign currency exposure. The following table demonstrates the Firemen's System's current level of foreign currency exposure as of September 30, 2018:

	Money market	Equities	Fixed income	Hedge fund	Limited Partnership Units	Real estate investment trust	Total
Australian Dollar	\$ —	2,683	—	—	—	—	2,683
British Pound Sterling	—	8,299	—	—	—	—	8,299
Canadian Dollar	—	630	—	—	—	—	630
Danish Krone	—	1,246	—	—	—	—	1,246
Euro	—	25,279	—	—	—	—	25,279
Hong Kong Dollar	—	2,275	—	—	—	—	2,275
Japanese Yen	—	7,128	—	—	—	—	7,128
Norwegian Krone	—	992	—	—	—	—	992
South Korean Won	—	1,644	—	—	—	—	1,644
Swedish Krona	—	435	—	—	—	—	435
Swiss Franc	—	2,112	—	—	—	—	2,112
Total foreign currency	—	52,723	—	—	—	—	52,723
U.S. Dollar	7,637	161,599	107,122	83,393	19,114	46,455	425,320
Total	<u>\$ 7,637</u>	<u>214,322</u>	<u>107,122</u>	<u>83,393</u>	<u>19,114</u>	<u>46,455</u>	<u>478,043</u>

Custodial credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firemen's System's minimum credit quality rating for each issue shall be "BBB" (or its equivalent) at the time of purchase. In the event of a split-rating, the higher rating shall apply. The fixed income portfolio should have an average quality rating of at least "A" (or its equivalent). Commercial paper issues must be rated at least "A1" (or its equivalent) at the time of purchase. In the event of a split-rating, the higher rating shall apply. In the event of a downgrade below investment grade by any rating agency, the investment manager is required to notify the Board and investment consultant as soon as possible and to refrain from any further investment in the downgraded issue.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The effective duration of any fixed income portfolio shall not exceed 120% of the effective duration of the investment manager's broad market benchmark.

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Concentration of credit risk is the risk of loss attributed to the magnitude of the Firemen's System's investment in a single issuer. The Firemen's System's policy does not allow the concentration per issuer to exceed 5% of the portfolio's market value at cost, with the exception of cash, cash equivalents, U.S. Treasury, or U.S. Agency securities. Furthermore, the investment manager may not hold more than 5% of the outstanding shares of any single issuer with exception of U.S. Treasuries or Agencies. Investment in any single fund of hedge funds shall not exceed 10% of the fund's market value. It is the Firemen's System's policy to invest in each asset class ranging between a minimum and maximum as shown below:

Asset class as a percent of total assets			
Asset class	Minimum	Target mix	Maximum
Domestic equity:			
Large cap	13 %	18 %	23 %
Small cap	3	8	13
International equities	19	24	29
Fixed income	20	25	30
Real estate trust	10	15	20
Hedge fund	5	10	15

Long-term expected rate of return on the plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the system's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset class	Long-term expected real rate of return
Domestic equity	4.3 %
International equities	4.7
Fixed income	(1.3)
Real estate trust (REIT)	4.8
Hedge fund	2.2
Private equity (partnerships)	9.4

The above long-term expected real rate of returns represents best estimates of geometric rates of return for each major asset class included. These rates of return are shown net of inflation (assumed at 2.75%) and net of investment expenses (assumed at 0.5%).

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Liquidity risk is the risk that redemption notice periods are required and longer periods may be imposed before payment of redemption proceeds are settled for the following investments:

AJO, LP (Hedge Fund)
EnTrust Capital Diversified Fund QP, Ltd. (Hedge Fund)
Magnitude Institutional, LLC Class A (Hedge Fund)
The Principle U.S. Property Account (REIT)

Investments that exceed 5% or more of net assets held in trust for pension benefits for the Firemen's System at September 30, 2018 are as follows:

The Principal U.S. Property Account (REIT)	\$	46,455
Mackay Shields Core Plus Opportunities Portfolio		42,462
Prudential Core Plus Bond Fund		39,862
AJO Emerging Markets All-Cap Offshore Fund, Ltd.		32,418
Acadian International Small Cap Fund		25,811
Magnitude Institutional, LLC Class A Hedge Fund		28,523

The Firemen's System participates in securities lending programs in order to enhance investment yield. In a securities lending transaction, the Firemen's System transfers possession – but not title – of the security to the borrower. Borrowers shall be rated AA, A, or higher by Moody's or Standard & Poor's. Collateral consisting of cash, letter of credit, U.S. government or agency securities, or floating rate notes of U.S. issuers is received and held by a financial institution. The collateral maintained is at least 102% of loan value for domestic securities and 105% of loan value for international securities of the market value of the securities lent. The Firemen's System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The Firemen's System continues to earn income on the loaned security. In addition, the Firemen's System receives 70% of the net lending fees generated by each loan of securities. The financial institution receives the remaining 30% of the net lending fees as compensation for its services provided in the securities lending program. The financial institution indemnifies operation risk and counter party risk. The Firemen's System authorizes the lending and loans of the following: domestic securities, U.S. Treasuries, corporate bonds, and equities. The Firemen's System does not have the ability to pledge or sell collateral securities without borrower default. Therefore, for accounting purposes, the financial statements do not reflect an increase in assets or liabilities associated with securities lent. At September 30, 2018, \$24,338 in loans was outstanding to borrowers. The Firemen's System earned income of \$189 for its participation in the securities lending program for the year ended September 30, 2018.

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3) Primary Government – Pension Trust Fund – Firefighters’ Plan

As of September 30, 2018, the Firefighters’ Plan had the following cash deposits and investments:

Equities	\$	42,724
Fixed income		14,357
Collective investment funds		14,605
Real estate funds		3,838
Money market funds		1,986
Other cash deposits		222
	\$	<u>77,732</u>

The Firefighters’ Plan investments are continuously exposed to various types of inherent risks. These risks are mitigated by the Firefighters’ Plan development and continual monitoring of sound investment policies. The Maturities and Credit Rating by Investment schedules are presented as follows to provide an illustration of the Firefighters’ Plan’s current level of exposure to various risks.

Fair Value Measurement and Application. GASB No. 72 was issued to address accounting and financial and reporting issues related to fair value measurements. The Firefighters’ Plan categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the calculation inputs used to measure the fair value of the asset. Level 1 inputs are quoted at prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Firefighters’ Plan has the following recurring fair value measurements as of September 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Corporate stocks:				
Domestic	\$ 15,331	—	—	15,331
International	116	—	—	116
Government bonds, agencies and mortgage-backed securities	6,789	1,514	—	8,303
Corporate bonds:				
Domestic	—	6,054	—	6,054

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange traded funds:				
Domestic equity	\$ 23,545	—	—	23,545
International equity	3,732	—	—	3,732
Money market funds	—	1,986	—	1,986
Total investments	<u>\$ 49,513</u>	<u>9,554</u>	<u>—</u>	<u>59,067</u>
Investments measured at net asset value (NAV):				
OFI Global Trust Company International Growth Fund Class T				14,605
Principal Global Investors U.S. Property Separate Account Class N				<u>3,838</u>
Total investments measured at fair value				<u>\$ 77,510</u>

For the investments measured at NAV at September 30, 2018:

- There were no unfunded purchase commitments.
- Redemption frequency is daily.
- Notice period for redemptions is 1 to 7 days.

The following schedule provides a summary of the fixed income investment maturities by investment category, which helps demonstrate the current level of interest rate risk assumed by the Firefighters' Plan as of September 30, 2018:

	<u>Fair value</u>	<u>Investment maturities (in years)</u>			
		<u>Less than 1</u>	<u>1–5</u>	<u>6–10</u>	<u>More than 10</u>
Government bonds, agencies, and mortgage-backed securities	\$ 8,303	—	1,573	3,517	3,213
Corporate bonds	<u>6,054</u>	<u>690</u>	<u>4,385</u>	<u>979</u>	<u>—</u>
Total	<u>\$ 14,357</u>	<u>690</u>	<u>5,958</u>	<u>4,496</u>	<u>3,213</u>

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The Firefighters' Plan fixed income investments current level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2018:

<u>Credit rating level</u>	<u>Total</u>
AA+	\$ 7,832
AA-	205
A+	1,627
A	1,215
A-	1,861
BBB+	754
Not rated	863
	<u>\$ 14,357</u>

Custodial credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firefighters' Plan's minimum credit quality for each issue shall be "BBB" (or its equivalent) at the time of purchase. The fixed income portfolio should have an average quality rating of at least "A" (or its equivalent). In the event of a downgrade below investment grade by any rating agency, the Investment Manager is required to notify the Firefighters' Plan and provide a plan for holding or disposition of said securities.

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The effective duration of any fixed income portfolio shall not exceed 120% of the effective duration of the Investment Manager's broad market benchmark.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Firefighters' Plan's investment in a single issuer. The Firefighters' Plan policy does not allow the concentration per issuer to exceed 5% of the portfolio's market value, with the exception of U.S. government obligations. Furthermore, the investment manager may not hold more than 5% of the outstanding shares of any single issuer. It is the Firefighters' Plan policy to invest in each asset class ranging between a minimum and maximum as shown below:

<u>Asset class as a percent of total assets</u>			
<u>Asset class</u>	<u>Minimum</u>	<u>Target mix</u>	<u>Maximum</u>
Domestic large cap equity	25 %	30 %	35 %
Domestic smid cap equity	15	20	25
Foreign equity	15	20	25
Foreign equity – emerging markets	—	5	10
Real estate	—	5	10
Fixed income	15	20	25

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Long-term expected rate of return on the Firefighters' Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Firefighters' Plan's target asset allocation as of September 30, 2018 are summarized in the following table:

<u>Asset class</u>	<u>Long-term expected real rate of return</u>
Domestic large cap equity	6.1 %
Domestic smid cap equity	8.7
Foreign equity	4.3
Foreign equity – emerging market	10.3
Real estate	6.4
Fixed income	1.6

The above long-term expected real rate of returns represents best estimates of geometric rates of return for each major asset class included. These rates of return are shown net of inflation (assumed at 3%).

Investments that exceed 5% or more of net assets held in trust for pension benefits for the Firefighters' Plan at September 30, 2018 are as follows:

Vanguard Russell 1000 Value Index Fund	\$ 12,294
Vanguard Russell 1000 Growth Index Fund	11,251
Principal Global Investors U.S. Property Separate Account Class N	3,838
OFI Global Trust Company International Growth Fund Class T	14,605

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4) Primary Government – Pension Trust Fund – Police System

As of September 30, 2018, the Police System had the following cash deposits and investments:

Equities:	
Common stock	\$ 196,300
Collective investment funds	199,555
Real estate securities fund	66,698
Mortgaged-backed securities	24,247
Fixed income collective investment fund	15,203
Corporate bonds	47,508
Hedge funds of funds	22,588
Fixed income securities	12,687
Money market funds	44,119
Investment property	890
Partnership interest	160,423
Other cash deposits	8,343
	<u>\$ 798,561</u>

The Police System's bank deposits were fully secured or collateralized at September 30, 2018. The Police System's bank deposits and repurchase agreements were insured by the FDIC, collateralized with securities held by the Federal Reserve Bank in the Police System's name.

Investments are stated at fair value. Fair values are based on the last reported sales price on September 30 or on the last reported bid price if no sale was made on that date. The real estate investment fund is valued by the fund manager based on independent real estate appraisals of the fund's holdings. The hedge fund of funds are carried at the value reported by the funds custodians based upon underlying investments. Investment property is reported at estimated fair value as determined by an independent real estate appraisal of the property.

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Fair Value Measurement and Application. GASB No. 72 was issued to address accounting and financial and reporting issues related to fair value measurements. The Police System categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the calculation inputs used to measure the fair value of the asset. Level 1 inputs are quoted at prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Police System has the following recurring fair value measurements as of September 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Corporate stocks:				
Domestic	\$ 153,337	—	—	153,337
International	42,963	—	—	42,963
Government bonds, agencies and mortgage-backed securities	—	36,934	—	36,934
Corporate bonds:				
Domestic	—	41,653	—	41,653
International	—	5,855	—	5,855
Collective investment funds:				
International equity	101,700	—	—	101,700
Domestic equity	97,855	—	—	97,855
Domestic fixed income	—	15,203	—	15,203
Money market funds	44,119	—	—	44,119
Investment property	—	—	890	890
Total investments	<u>\$ 439,974</u>	<u>99,645</u>	<u>890</u>	<u>540,509</u>
Investments measured at net asset value (NAV):				
Limited partnership units:				
Venture capital				120,859
Energy				39,564
Hedge funds				22,588
Real estate investment trust				66,698
Total investments measured at NAV				<u>249,709</u>
Total investments at fair value			<u>\$</u>	<u>790,218</u>

For the investments measured at NAV at September 30, 2018:

- There were no unfunded purchase commitments.

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- Redemption frequency, when currently eligible, is quarterly.
- Notice period for redemptions is 1 to 90 days.

The Police System's investments are continuously exposed to various types of inherent risks. These risks are mitigated by the Police System's development and continual monitoring of sound investment policies. The investment maturities, credit rating by investment, and foreign currency exposures by asset class schedules are presented below to provide an illustration of the Police System's current level of exposure to various risks.

The following schedule provides a summary of the fixed income investment maturities by investment type, which helps demonstrate the current level of interest rate risk assumed by the Police System as of September 30, 2018:

	Fair value	Investment maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Corporate bonds	\$ 47,508	290	20,052	13,289	13,877
Mortgaged-backed securities – nongovernment	20,975	—	3,930	1,250	15,795
Mortgaged-backed securities – government	3,272	—	—	54	3,218
Collective investment funds	15,203	2,059	4,036	9,108	—
Government securities	12,687	1,606	3,420	2,944	4,717
	<u>\$ 99,645</u>	<u>3,955</u>	<u>31,438</u>	<u>26,645</u>	<u>37,607</u>

The Police System's fixed income investments current level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table as of September 30, 2018:

Credit rating level	Total	Government mortgage- backed securities	Nongovernment mortgage- backed securities	Collective investment funds	Corporate bonds	Government securities
AAA	\$ 13,703	3,272	5,666	—	1,618	3,147
AA	13,808	—	1,329	—	5,070	7,409
A	41,313	—	2,450	15,203	23,660	—
BBB	10,588	—	797	—	9,791	—
BB	—	—	—	—	—	—
CCC	90	—	90	—	—	—
CC	—	—	—	—	—	—
D	—	—	—	—	—	—
Not rated	20,143	—	10,643	—	7,369	2,131
	<u>\$ 99,645</u>	<u>3,272</u>	<u>20,975</u>	<u>15,203</u>	<u>47,508</u>	<u>12,687</u>

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Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Police System's policy is to allow the individual investment managers to decide what action to take regarding their respective portfolio's foreign currency exposure. The following table demonstrates the Police System's current level of foreign currency exposure as of September 30, 2018:

	<u>Equities</u>	<u>Fixed income</u>	<u>Money market</u>	<u>Hedge funds of funds</u>	<u>Investment property and partnership</u>	<u>Total</u>
Barbadian Dollar	\$ —	299	—	—	—	299
British Pound Sterling	1,004	2,186	—	—	—	3,190
Canadian Dollar	467	1,279	—	—	—	1,746
Euro	1,173	2,977	—	—	—	4,150
Indian Rupee	919	—	—	—	—	919
Israeli Shekel	1,553	—	—	—	—	1,553
Japanese Yen	—	—	—	—	—	—
Swiss Franc	960	—	—	—	—	960
Taiwan Dollar	764	—	—	—	—	764
Total foreign currency	6,840	6,741	—	—	—	13,581
U.S. Dollar	455,713	92,904	44,119	22,588	161,313	776,637
Total	<u>\$ 462,553</u>	<u>99,645</u>	<u>44,119</u>	<u>22,588</u>	<u>161,313</u>	<u>790,218</u>

Custodial credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fixed Income Portfolio must have an average rating of "A" or better in the aggregate as measured by at least one credit rating service. In cases where the yield spread adequately compensates for additional risk, securities rated lower than "A" may be purchased, provided overall fixed income quality is maintained. All issues will be of investment grade quality (BBB or Baa rated) or higher at the time of purchase. Up to 15% of the total market value of fixed income securities may be invested in BBB or Baa rated securities. In cases where credit rating agencies assign different quality ratings to a security, the lower rating will be used. Should the rating of a fixed income security fall below minimum investment grade, the investment manager may continue to hold the security if they believe the security will be upgraded in the future, there is low risk of default, and buyers will continue to be available throughout the anticipated holding period. The investment manager has the responsibility of notifying the Board of Trustees through their designee whenever an issue falls below investment grade.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The average effective duration of the aggregate portfolio, reflecting all instruments, including Collateralized Mortgage Obligations and Asset-Backed Securities, must be maintained at plus or minus one year of the duration of the respective investment manager's benchmark index.

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Concentration of credit risk is the risk of loss attributed to the magnitude of the Police System's investment in a single issuer. It is the Police System's policy to invest in each asset class ranging between a minimum and maximum as shown below:

Asset class as a percent of total assets			
Asset class	Minimum	Target mix	Maximum
Fixed income	14 %	19 %	24 %
Domestic equities:			
Large cap	13	18	23
Mid cap	1	6	11
Small cap	1	6	11
Foreign equities:			
Developed markets	8	13	18
Emerging markets	1	6	11
Non-U.S. developing markets	1	6	11
Nondirectional hedge funds of funds	—	5	10
Real estate equities	3	8	13
Private equity	3	8	13
Other	—	4	9
Money market	—	1	6

Long-term expected rate of return on the Police System investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Police System's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset class	Long-term expected real rate of return
Fixed income	1.20 %
Domestic equity	4.95
Foreign equity	4.95
Nondirectional hedge funds	2.90
Defensive equity	4.15
Real estate (REIT)	4.09
Private equity (partnerships)	7.70
Money market	(1.60)

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The above long-term expected real rate of returns represents best estimates of geometric rates of return for each major asset class included. These rates of return are shown net of inflation (assumed at 2.5%) and net of investment expenses (assumed at 1% for non-directional hedge funds and real estate asset classes and 0.45% for all other asset classes).

Liquidity risk is the risk that redemption notice periods are required and longer periods may be imposed before payment of redemption proceeds are settled for the following investments:

CenterSquare Investment Management Co./Bank of New York Mellon EB Global Real Estate Securities Fund
ElmTree U.S. Net Lease Fund III, LP
EnTrust Capital Diversified Fund QP, Ltd.
EnTrust Special Opportunities Fund III, LP
EnTrust Special Opportunities Fund IV, LP
Falcon E&P Opportunities Fund, L.P.
GAM US Institutional Diversity, Inc.
Neuberger Berman Secondary Opportunities Fund III, L.P.
Neuberger Berman US Equity Index PutWrite Fund, LLC
Principal U.S. Property Account
Wellington Trust Company International Opportunities Fund

Investments that exceed 5% or more of net assets held in trust for pension benefits for the Police System are as follows:

Collective funds:

Trilogy International Group Trust I	\$	48,772
Lazard Emerging Markets Core Equity Trust		42,963
Wellington Trust Company International Opportunities Fund		49,084
MFB Northern Trust Collective Russell 1,000 Growth Index Fund		51,445
MFB Northern Trust Company Daily S&P 500 Equity Index Fund		50,255
Brandes Non-U.S. Small Cap Portfolio Fund		41,694
Principal Real Estate Investment Trust		42,581

The Police System participates in securities lending programs in order to enhance investment yield. In a securities lending transaction, the Police System transfers possession – but not title – of the security to the borrower. Collateral consisting of cash, letter of credit, or government securities is received and held by a financial institution. The broker/dealer collateralizes their borrowing (usually in cash) to 102% of the security value plus accrued interest, and this collateral is adjusted daily to maintain the 102% level. The Police System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The Police System continues to earn income on the loaned security. In addition, the Police System receives 70% of the net lending fees generated by each loan of securities. The financial institution receives the remaining 30% of the net lending fees as compensation for its services provided in the securities lending program. The financial institution indemnifies operational risk and counterparty risk. The Police System authorizes the lending of

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domestic securities, U.S. Treasuries, corporate bonds, and equities. The Police System does not have the ability to pledge or sell collateral securities without borrower default. Therefore, for accounting purposes, the financial statements do not reflect an increase in assets or liabilities associated with securities lent. Outstanding loans to borrowers at September 30, 2018 was \$44,313. The Police System earned income of \$134 for its participation in the securities lending program for the year ended September 30, 2018.

5) Primary Government – Pension Trust Fund – Employees System

As of September 30, 2018, the Employees System had the following cash deposits and investments:

Common stocks	\$	216,848
Managed international equity funds		183,939
Managed master limited partnerships		79,235
Fixed income securities		87,437
Domestic bond funds		86,376
Real estate funds		89,870
Temporary cash investments		3,600
Managed hedge fund of funds		79,444
Other cash deposits		386
	\$	<u>827,135</u>

The bank balances of the Employees System at September 30, 2018 were insured by the Federal Deposit Insurance Corporation up to \$250. The remaining balances were collateralized by securities held by the pledging financial institution's trust department in the Employees System's name.

Investments are reported at fair market value. Securities traded on a national or international exchange funds are valued at the unit value quoted by the investee entity. Security transactions and any resulting realized gains or losses are accounted for on a completed transaction basis. Commingled funds are valued at the unit value quoted by the investee entity based on the underlying asset values. Real estate funds and other managed funds are valued based on valuations of underlying investments as reported by fund managers. Certain investments are valued at net asset value (NAV) as a practical expedient. These investments have no unfunded commitments and have a redemption frequency or notice ranging from daily to 90 days.

Fair Value Measurement and Application. GASB 72 was issued to address accounting and financial and reporting issues related to fair value measurements. The Employees System categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the calculation inputs used to measure the fair value of the asset. Level 1 inputs are quoted at prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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The Employees System has the following recurring fair value measurements as of September 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, at fair value:				
Fixed income securities:				
U.S. government securities	\$ 20,804	2,940	—	23,744
Corporate bonds	—	29,520	—	29,520
Domestic bond funds	5,700	—	—	5,700
International bonds and securities	2,223	29,849	—	32,072
Other debt obligations	20,322	—	—	20,322
Common stocks	216,848	—	—	216,848
Managed master limited partnerships	47,646	—	—	47,646
Total investments	<u>\$ 313,543</u>	<u>62,309</u>	<u>—</u>	<u>375,852</u>
Investments measured at the net asset value (NAV):				
Loomis High Yield Conservative Trust (B)				30,730
SSGA Passive Bond Market Index (NL) Fund				35,325
Principal Real Estate Group Annuity Contract				89,870
Acadian Emerging Markets Mutual Equity Fund II				54,437
Kabouter International Opportunities Fund II				31,589
Silchester International Value Equity Group Trust				87,007
Walter Scott Group Trust International				42,495
Entrust Capital Diversified Fund				34,800
Weatherlow Offshore Fund I				44,644
Total investments measured at NAV				<u>450,897</u>
Total investments measured at fair value				<u>\$ 826,749</u>
Investment derivative instruments:				
Foreign exchange contracts	<u>\$ —</u>	<u>232</u>	<u>—</u>	<u>232</u>

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Foreign Currency Risk

The Employees System does not have a formal policy to limit foreign currency risk. Risk of loss arises from changes in currency exchange rates. The Employees System's exposure to foreign currency risk is presented on the following table:

	<u>Short-term</u>	<u>Debt</u>	<u>Total</u>
Polish Zloty	\$ 7	58	65
British Pound	(11)	2,394	2,383
Australian Dollar	7	335	342
Canadian Dollar	19	732	751
Euro	31	7,082	7,113
Japanese Yen	161	5,214	5,375
Mexican Peso	19	104	123
Danish Krone	5	69	74
Swiss Franc	(3)	—	(3)
South Africa Rand	(5)	—	(5)
Indonesian Rupiah	(6)	—	(6)
Norwegian Krone	11	—	11
Total	<u>\$ 235</u>	<u>15,988</u>	<u>16,223</u>

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation to the Employees System. Below is a list of fixed income credit quality ratings:

<u>Quality rating</u>	
Aaa/U.S. governments	\$ 84,466
Aa	6,976
A	25,023
Baa/BBB	23,537
Below Baa/BBB	32,524
Not rated	<u>307</u>
Total	<u>\$ 172,833</u>

All temporary cash investments held by the Employees Retirement System at September 30, 2018 were unrated.

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Interest Rate Risk

The Employees System does not have a formal policy to limit interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of an investment. Duration is a measure of debt instrument's exposure to a change in interest rate and the related sensitivity of market price to parallel shifts in the yield curve. It uses the present value of cash flows, weighted for those cash flows as a percentage of the instrument's full price.

Investment	Fair value	Effective duration
Payden and Rygel	\$ 32,449	5.83 years
Allegiant (PNC)	54,008	6.36 years
SSGA	35,325	6.03 years
Loomis	30,729	3.60 years
Vanguard	20,322	7.40 years
	<u>\$ 172,833</u>	

The Employees System does not participate in a securities lending program with its master custodian, U.S. Bank.

Concentration of Credit Risk

At September 30, 2018, the Employees System has the following concentrations, defined as investments (other than those issued or guaranteed by the U.S. Government) in any one organization, that represent 5% or more of total investments to the Employees System:

Acadian Asset Management:	
Emerging Market Fund	\$ 54,437
Twin Capital Management:	
Domestic Equity	57,360
PNC Capital Advisors:	
U.S. Broad Market Core Fixed Income	54,008
Principal Global Investors:	
Real Estate Group Annuity Contract	89,870
Silchester International Advisors:	
International Value Equity Group Trust	87,008
Evanston Weatherlow Offshore:	
Hedge fund	44,644
LSV Asset Management:	
U.S. Large Cap Value Equity	43,844
Walter Scott & Partners Limited Group Trust:	
International Equity Fund	42,495

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(b) Component Unit – SLDC

State statutes and SLDC investment policies are the same as for the primary government. SLDC funds, in the form of cash on deposit or certificates of deposit, are required to be insured or collateralized by authorized investments held in SLDC's name. At June 30, 2019, all of SLDC's cash deposits were covered by federal depository insurance or collateral held by the pledging institution's trust department or agent in SLDC's name. At June 30, 2019, the market value of investments approximated the carrying value of \$1,316.

(3) Receivables, Net

	Taxes	Intergovern- mental	Charges for services	Other	Total receivables
Governmental activities:					
General fund	\$ 106,737	3,844	5,718	3,064	119,363
Redevelopment project fund	26,358	543	—	—	26,901
Capital projects fund	4,192	40	—	—	4,232
Grants fund	—	8,063	—	—	8,063
Other governmental funds	37,916	1,448	1,713	883	41,960
Internal service funds	—	—	1,142	—	1,142
Total governmental activities	<u>\$ 175,203</u>	<u>13,938</u>	<u>8,573</u>	<u>3,947</u>	<u>201,661</u>
Business-type activities:					
Airport	\$ —	7,122	2,494	2,643	12,259
Water Division	—	—	12,475	—	12,475
Parking Division	—	—	309	—	309
Total business-type activities	<u>\$ —</u>	<u>7,122</u>	<u>15,278</u>	<u>2,643</u>	<u>25,043</u>

All amounts are scheduled for collection during the subsequent fiscal year.

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(4) Allowance For Uncollectible Accounts

The allowance for uncollectible accounts, which has been deducted from the related receivable in the government-wide statement of net position and fund financial statements, consists of the following balances:

Governmental activities:

Taxes receivable – general fund	\$ 770
Taxes receivable – redevelopment projects funds	10
Taxes receivable – other governmental funds	88
License and permits receivable – general fund	25
Charges for services receivable – general fund	3,619
Charges for services receivable – other governmental funds	159

Business-type activities:

Charges for services receivable – Airport	215
Charges for services receivable – Water Division	4,926
	<u>\$ 9,812</u>

(5) Component Unit – SLDC Receivables

SLDC notes and loans receivable consist principally of small business loans made to facilitate business growth. The commercial loans are primarily financed utilizing funds provided by the Community Development Administration (CDA) of the City, Economic Development Administration, Environmental Protection Agency, and the State of Missouri. The proceeds from any repayment of these loans are generally payable back to the funding source or re-loaned in accordance with the lending program. Grantor funds received for these lending programs are recorded as a liability and categorized as due to other governmental agencies.

(6) Restricted Assets

(a) Airport

Cash and investments, restricted in accordance with bond provisions, are as follows at June 30, 2019:

Airport bond fund:

Debt service account	\$ 227,060
Debt service reserve account	24,970
Airport renewal and replacement fund	3,500
Passenger facility charge fund	20,751
Airport debt service stabilization fund	38,211
Airport construction fund	19,686
Drug enforcement agency funds	2,167
	<u>\$ 336,345</u>

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Bond provisions require that revenues derived from the operation of the Airport be deposited into the unrestricted Airport Revenue Fund. From this fund, the following allocations are made (as soon as practicable in each month after the deposit of revenues, but no later than five business days before the end of each month) in the following order of priority, and as applicable:

- 1) *Unrestricted Airport Operation and Maintenance Fund*: an amount sufficient to pay the estimated operation and maintenance expenses during the next month.
- 2) *Airport Bond Fund*: for credit to the Debt Service Account, if and to the extent required, so that the balance in said account shall equal the accrued aggregate debt service on the bonds, to the last day of the then current calendar month. This account shall be used only for payment of bond principal and interest as the same shall become due.
- 3) *Airport Bond Fund*: for credit to the Debt Service Reserve Account, an amount sufficient to maintain a balance in such account equal to the debt service reserve requirement (an amount equal to the greatest amount of principal and interest due in any future fiscal year). This account shall be available for deficiencies in the Debt Service Account on the last business day of any month, and the balance shall be transferred to the Debt Service Account whenever the balance in the Debt Service Account (before the transfer) is not sufficient to pay fully all outstanding bonds.
- 4) *Arbitrage Rebate Fund*: an amount necessary to fund the Arbitrage Rebate in order to pay the Rebate Amount when due and payable.
- 5) *Subordinated Indebtedness*: an amount sufficient to pay Subordinated Indebtedness in accordance with the authorizing and implementing documents for such Subordinated Indebtedness.
- 6) *Airport Renewal and Replacement Fund*: an amount equal to \$57, provided that no deposit shall be required to be made into said fund whenever and as long as uncommitted moneys in said fund are equal to or greater than \$3,500 or such larger amount as the City shall determine is necessary for purposes of said fund; and provided further that, if any such monthly allocation to said fund shall be less than the required amounts, the amount of the next succeeding monthly payments shall be increased by the amount of such deficiency. This fund shall be used for paying costs of renewal or replacement of capital items used in connection with the operation of the Airport.
- 7) *A sub-account in the Airport Revenue Fund*: an amount determined from time-to-time by the City, such that if deposits were made in amounts equal to such amount in each succeeding month during each Airport fiscal year, the balance in such sub-account shall equal the amounts payable to the City with respect to such Airport fiscal year for the payment of 5% of gross receipts from operations of the Airport. A maximum of 80% of the monthly transfer to this sub-account may be paid to the City during the Airport's fiscal year. The final installment may only be paid to the City upon delivery of the Airport's audited financial statements to the Airport Bond Fund Trustee.

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- 8) *Airport Debt Service Stabilization Fund and the Airport Development Fund*: various amounts for fiscal years 2006 through 2011, achieved a balance of \$38,211 at the end of fiscal year 2011. Beginning in fiscal year 2012, the Airport will allocate an amount sufficient to bring the amount on deposit in the Debt Stabilization Fund equal to the Debt Stabilization Fund Requirement (or such lesser amount as is available in the Revenue Fund for such transfer).
- 9) The remaining balance in the Revenue Fund shall be deposited into the Airport Development Fund. This fund shall be used for extensions and improvements to the Airport, including equipment acquisition.

Bond provisions provide that, in the event the sums on deposit in the Airport Bond Fund – Debt Service and Debt Service Reserve Accounts are insufficient to pay accruing interest, maturing principal, or both, Airport Development Fund, and Airport Renewal and Replacement Fund may be drawn upon, to the extent necessary, to provide for the payment of such interest, principal, or both. Any sums so withdrawn from these accounts for said purposes shall be restored thereto in the manner provided for in their original establishment. Bond provisions also provide that the principal proceeds from the sale of Airport revenue bonds shall be held in the Airport Construction Fund from which they shall be disbursed for the purposes contemplated in the related bond provisions and City ordinances.

Passenger Facility Charge Fund and Drug Enforcement Agency Funds are restricted in accordance with program agreements.

(b) Water Division

Cash restricted in accordance with bond provisions and City ordinances at June 30, 2019 is as follows:

Bond funds:		
Waterworks bond fund	\$	278
Water replacement and improvement account		750
		<hr/>
Total bond funds		1,028
Customer deposits		1,825
Service line maintenance		198
		<hr/>
Total restricted cash	\$	<u>3,051</u>

Bond fund provisions require that revenues derived from the operation of the Waterworks System be deposited in the Waterworks Revenue Account. From this account, the following allocations are made on the first business day of each month in the following order of priority:

Series 2013 Water Revenue Refunding Bond Funds

1. To the unrestricted *Waterworks Operations and Maintenance Fund*, an amount sufficient to pay the estimated operation and maintenance expenses during the next month.

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2. To the *Waterworks Bond Fund*, an amount at least equal to 1/6 of the amount of interest that will come due on the next interest payment date, plus an amount at least equal to 1/6 of the aggregate principal amount of bonds that will come due on the next bond maturity date. This account shall be used only for the payment of bond principal and interest, as the same shall become due.
3. To the *Water Replacement and Improvement Fund*, an amount equal to \$25 per month until the account balance aggregates \$750. This account shall be used for making replacements, extensions, and improvements to the Waterworks System, and for the purpose of meeting unforeseen contingencies and emergencies arising in the operation of the Waterworks System of the City.
4. The remaining balance in the *Waterworks Revenue Fund* is deposited into the unrestricted Water Contingent Fund. This money shall be used for paying the cost of the operation, maintenance, and repair of the Waterworks System; paying the cost of extending, improving, or making replacements to the Waterworks System; preventing default in, anticipating payments into, or increasing the amounts in the other accounts; paying any gross receipts tax now or hereafter levied by the City; paying the principal or the interest on any subordinate or junior lien bonds; paying any redemption premium due on the bonds; or any other lawful purpose for use by the Waterworks System.

(c) Parking Division

Cash and investments restricted in accordance with bond indentures at June 30, 2019 are as follows:

Series 2016 bonds:	
Debt service	\$ <u>1,893</u>
Total series 2016 bonds	<u>1,893</u>
Series 2015B bonds:	
Debt service	<u>1,107</u>
Total series 2015B bonds	<u>1,107</u>
Series 2015A bonds:	
Debt service reserve	515
Debt service	179
Series 2015A project account	<u>9</u>
Total series 2015A bonds	<u>703</u>
Series 2013A bonds:	
Debt service reserve	<u>84</u>
Total series 2013A bonds	<u>84</u>

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Series 2007B bonds:		
Debt service reserve	\$	—
Debt service		—
Repair and replacement		2,663
Net project revenues		—
Parking trust – Parking Division accounts		<u>1,926</u>
Total series 2007B bonds		<u>4,589</u>
Series 2003A and 2003B bonds:		
Gross revenues		160
Bond		94
Repair and replacement		45
Operating reserve		100
Redemption		<u>89</u>
Total series 2003A and 2003B bonds		<u>488</u>
Total restricted cash and investments	\$	<u><u>8,864</u></u>

Descriptions of the funds required by the Series 2016 Subordinated Bond Indentures are as follows:

- 1) *Debt service and Transferred debt service* – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.

Descriptions of the funds required by the Series 2015B Subordinated Bond Indentures are as follows:

- 1) *Debt service* – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.

Descriptions of the funds required by the Series 2015A Subordinated Bond Indentures are as follows:

- 1) *Debt service reserve* – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.
- 2) *Debt service* – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.
- 3) *Series 2015A project account* – Maintains funds used to fund the debt service account.

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Descriptions of the funds required by the Series 2013A Subordinated Bond Indentures are as follows:

- 1) *Debt service account* – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.

Descriptions of the funds required by the Series 2007B Bond Indentures are as follows:

- 1) *Debt service reserve* – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.
- 2) *Debt service* – Moneys deposited into this account pay principal and accrued and unpaid interest on the respective bonds.
- 3) *Net project revenues* – Maintains funds used to fund the debt service account.
- 4) *Parking trust* – Parking Division accounts – Maintains funds transferred from the respective bond account to be available to pay principal and interest on the respective refunded bonds if other funds are not available.
- 5) *Repair and replacement* – Provides for the repair and upkeep of parking garages.

Descriptions of the funds required by the Series 2003A and 2003B Bond Indenture are as follows:

- 1) *Gross revenues* – Maintains revenues resulting from the operations of the Cupples Garage and uses these to pay the operating and debt service costs associated with the Cupples Garage.
- 2) *Bond* – Moneys deposited into this account pay principal and accrued and unpaid interest on the Series 2003A and 2003B bonds.
- 3) *Repair and replacement* – Provides for the repair and upkeep of the Cupples Garage.
- 4) *Operating reserve* – Maintains operating reserve as required by the Bond Indenture.
- 5) *Redemption* – Maintains funds set aside for the future redemption of the Series 2003A and 2003B bonds.

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(7) Capital Assets

(a) Primary Government

The following is a summary of changes in capital assets – governmental activities for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 81,664	—	—	—	81,664
Construction in progress	10,558	9,334	—	(10,598)	9,294
Equipment in progress	492	5	—	—	497
Works of art	3,624	—	—	—	3,624
Intangibles	1,966	467	—	—	2,433
Total capital assets not being depreciated	98,304	9,806	—	(10,598)	97,512
Capital assets being depreciated:					
Buildings	693,949	1,563	—	1,986	697,498
Improvements other than buildings	115,186	3,757	—	4,955	123,898
Equipment	186,066	7,597	(4,690)	—	188,973
Infrastructure	724,681	7,615	—	3,657	735,953
Intangibles	2,106	324	—	—	2,430
Total capital assets being depreciated	1,721,988	20,856	(4,690)	10,598	1,748,752
Less accumulated depreciation for:					
Buildings	295,328	15,659	—	—	310,987
Improvements other than buildings	42,207	2,867	—	—	45,074
Equipment	128,518	9,025	(4,490)	—	133,053
Infrastructure	535,466	32,563	—	—	568,029
Intangibles	1,619	211	—	—	1,830
Total accumulated depreciation	1,003,138	60,325	(4,490)	—	1,058,973
Total capital assets being depreciated, net	718,850	(39,469)	(200)	10,598	689,779
Governmental activities capital assets, net	\$ 817,154	(29,663)	(200)	—	787,291

Construction in progress consists primarily of park renovations and street and bridge projects.

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The following is a summary of changes in capital assets – business-type activities for the year ended June 30, 2019. Business-type activities for the City include the Airport, Water Division, and Parking Division:

	Balance June 30, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Business-type activities:					
Combined:					
Capital assets not being depreciated:					
Land	\$ 775,104	—	—	—	775,104
Construction in progress	33,119	31,036	(200)	(25,062)	38,893
Intangibles	3,506	—	—	—	3,506
Total capital assets not being depreciated	811,729	31,036	(200)	(25,062)	817,503
Capital assets being depreciated:					
Buildings and structures	792,028	16,716	(46)	7,652	816,350
Equipment	112,451	4,445	(954)	844	116,786
Pavings	1,059,502	—	—	12,008	1,071,510
Parking meters and lot equipment	8,035	—	—	—	8,035
Reservoirs	35,277	—	—	—	35,277
Boiler plant equipment	661	—	—	—	661
Pumping equipment	11,651	318	—	2,308	14,277
Purification basins and equipment	44,166	10	—	1,665	45,841
Water mains, lines, and accessories	143,275	2,706	(132)	177	146,026
Motor vehicle equipment	12,172	848	(639)	—	12,381
Total capital assets being depreciated	2,219,218	25,043	(1,771)	24,654	2,267,144
Less accumulated depreciation for:					
Buildings and structures	494,215	25,008	(46)	—	519,177
Equipment	85,492	4,311	(931)	—	88,872
Pavings	563,294	33,219	—	—	596,513
Parking meters and lot equipment	4,126	552	—	—	4,678
Reservoirs	14,826	736	—	—	15,562
Boiler plant equipment	656	3	—	—	659
Pumping equipment	10,139	293	—	—	10,432
Purification basins and equipment	21,208	975	—	—	22,183
Water mains, lines, and accessories	65,358	1,869	(112)	—	67,115
Motor vehicle equipment	5,641	1,096	(639)	—	6,098
Total accumulated depreciation	1,264,955	68,062	(1,728)	—	1,331,289
Total capital assets being depreciated, net	954,263	(43,019)	(43)	24,654	935,855
Business-type activities capital assets, net	\$ 1,765,992	(11,983)	(243)	(408)	1,753,358

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Construction in progress consists primarily of various improvements at the Airport to the airfield and terminal buildings, as well as property purchased on which the Airport's expansion facilities will be constructed, and various improvements to the Waterworks System.

Within the statement of activities, depreciation expense is charged to functions of the primary government as follows:

Governmental activities:	
General government	\$ 6,522
Convention and tourism	4,457
Parks and recreation	6,216
Judicial	324
Streets	35,124
Public safety:	
Fire	2,194
Police	3,664
Other	774
Health and welfare	269
Public service	781
	<hr/>
Total depreciation expense, governmental activities	\$ <u>60,325</u>
Business-type activities:	
Airport	\$ 58,844
Water Division	6,271
Parking Division	2,947
	<hr/>
Total depreciation expense, business-type activities	\$ <u>68,062</u>

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(b) Component Unit – SLDC

The following is a summary of changes in SLDC capital assets for the period ended June 30, 2019:

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 7,376	—	—	7,376
Construction in progress	—	—	—	—
Total capital assets not being depreciated	7,376	—	—	7,376
Capital assets being depreciated:				
Leasehold improvements	24,524	1,091	—	25,615
Equipment	713	6	—	719
Parking facilities	17,835	—	—	17,835
Total capital assets being depreciated	43,072	1,097	—	44,169
Less accumulated depreciation for:				
Leasehold improvements	5,522	545	—	6,067
Equipment	712	2	—	714
Parking facilities	15,315	398	—	15,713
Total accumulated depreciation	21,549	945	—	22,494
Total capital assets being depreciated, net	21,523	152	—	21,675
SLDC capital assets, net	\$ 28,899	152	—	29,051

(8) Component Unit – SLDC Property Held For Development

SLDC property held for development consists primarily of land and property held for sale or other development purposes. This land and property is reported in SLDC's financial statements based on management's intent of ultimate disposition of the property. Proceeds received upon the sale of most of these properties will revert back to the funding source. A reserve for impairment in the amount of \$13,754 has been established on these properties. During the year ended June 30, 2019 the property for the proposed National Geospatial Agency site was transferred to the federal government.

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(9) Accounts Payable and Accrued Liabilities

	Vendors	Contracts and retainage payable	Total
Governmental activities:			
General fund	\$ 5,226	—	5,226
Redevelopment projects fund	57	—	57
Capital projects fund	3,955	532	4,487
Grants fund	6,067	—	6,067
Other governmental funds	2,947	—	2,947
Internal service	888	—	888
Total governmental activities	\$ 19,140	532	19,672
Business-type activities:			
Airport	\$ 5,783	11,511	17,294
Water Division	8,505	—	8,505
Parking Division	459	—	459
Total business-type activities	\$ 14,747	11,511	26,258

(10) Retirement Plans

The City contributes to the following defined benefit retirement plans: The Firemen's System, the Firefighters' Plan, and the Police System, which are single-employer plans. The Employees System is a cost-sharing multiple-employer defined benefit retirement plan.

Effective February 1, 2013, the City passed Ordinances #69149 and #69245 (amended by #69353) and a judge's ruling (Board Bill 109) replaced the Firemen's System with a new retirement system, the Firefighters' Plan. All other employees are covered by the Employees System, a cost-sharing, multiple-employer, public defined benefit retirement plan or the Police System Plan. Each system is administered by a separate Board of Trustees, members of which are appointed by City officials and plan participants.

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Each system is administered by a separate board of trustees, who are partially appointed by City officials, plan participants, and the governor of the State (Police System only). For financial reporting purposes, these retirement systems are included as fiduciary pension trust funds of the City. Financial information taken directly from the financial statements, that were audited by other auditors and whose reports have been furnished to us, for these funds has been included within the accompanying basic financial statements as of each System's fiscal year-end, which falls within the City's current fiscal year-end as follows:

<u>System</u>	<u>System fiscal year-end</u>
Firemen's	September 30, 2018
Firefighters'	September 30, 2018
Police	September 30, 2018
Employees	September 30, 2018

(a) Firemen's Retirement System of St. Louis (Firemen's System or FRS)

1) System Description (FRS)

The Firemen's System issues a publicly available financial report that includes financial statements and supplementary information. That information may be obtained by writing to the Firemen's Retirement System of St. Louis; 1601 S. Broadway; St. Louis, Missouri, 63104.

The following disclosures are based on the September 30, 2018 FRS financial statements and the October 1, 2018 actuarial valuation. The valuation as of October 1, 2018, reflects the changes attributable to Ordinance #69245 and #69353, and Judge Dierker's subsequent ruling (Board Bill 109). Key changes to the Firemen's System is as follows:

- Firemen's System is frozen as of February 1, 2013. That is, benefits paid from Firemen's System will be based on the member's service and salary earned as of February 1, 2013. Participants with benefit service in Firemen's System are classified as "grandfathered" members.
- Firefighters hired after February 1, 2013, are not members of Firemen's System.
- Vesting and eligibility service earned after February 1, 2013, in the newly established Firefighters' Plan will count towards vesting and eligibility service in Firemen's System.
- Ancillary benefits, for disability or death occurring after February 1, 2013, are assumed to be paid from the newly established Firefighters' Plan to the extent that benefits do not depend on service earned prior to February 1, 2013.
- Employer contributions to the frozen Firemen's System will continue to be calculated under the Frozen Initial Liability cost method.
- Member contributions after February 1, 2013, from "grandfathered" participants in Firemen's System will be paid to the Firefighters' Plan.

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- Grandfathered members with 20 or more years of service as of February 1, 2013, are eligible to retire with unreduced Firefighters' Plan benefits if retirement commences before age 55.
- Grandfathered members with less than 20 years of service as of February 1, 2013, are eligible to retire with actuarially reduced Firefighters' Plan benefits if retirement commences before age 55.

As a result of Board Bill 109, the following assumptions were made:

- Since benefits paid under Firemen's System will no longer depend on future salary increases, future salary increase assumptions have been eliminated in the projection of pay and valuation of benefits. Costs will continue to be spread over the present value of future salary, which includes future salary increases.
- It is assumed that grandfathered members with less than 20 years of service as of February 1, 2013 will not retire prior to age 55. The retirement rates were adjusted to reflect accelerated retirement when these members first become eligible at age 55.
- It was assumed the Firemen's System frozen benefit relating to service and pay as of February 1, 2013, will be used to offset post-retirement survivor benefits paid under Firefighters' Plan.
- The overall rates of disability were not changed, but the proportion of ordinary accidental disabilities was changed from 20% ordinary and 80% accidental to 60% ordinary and 40% accidental.

Plan liabilities for Firemen's System after Board Bill 109 are predominantly for retired members and their beneficiaries. That is, the proportion of retired liabilities to total plan liabilities is projected to be over 80% within 10 years.

An agreement between the City and Firemen's System was reached regarding the recognition of City contributions under Board Bill 109. The City made contributions to Firemen's System from February 1, 2013 to September 30, 2013. The contributions for this period recognize the impact of Board Bill 109, certain excess Firefighters' Plan City contributions were transferred from Firemen's System to Firefighters' Plan in the amount of \$6,883 equal to the Firefighters' Plan City required contribution for the period February 1, 2013 to September 30, 2013 and a portion of the excess Firemen's System City contribution was credited toward the Firemen's System Entry Age Normal Agreement (Fireman's Retirement EAN Note) with the City in the amount of \$3,396.

The Firemen's System, in accordance with Ordinance #62994 of the City, initiated during the Firemen's System's fiscal year ended August 31, 1994, the Deferred Retirement Option Plan (DROP). The DROP plan is available to members of the system who have achieved at least 20 years of creditable service and have eligibility for retirement. Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly into the DROP account of the member, and the member's contribution will be reduced to 1% from the normal 8%. During participation in the DROP plan, the member will not receive credit for employer contributions or credit for service. A member may participate in the DROP only once for any period up to five years. At retirement, the funds in the member's DROP account plus interest and accrued sick leave, if elected, is available to the member in a lump sum or in installments.

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The Fireman's System membership consisted of the following as of September 30, 2018:

Retirees and beneficiaries currently receiving benefits	894
Current members:	
Vested – DROP	65
Vested – Non-DROP	199
Nonvested	<u>256</u>
Total current members	<u>520</u>
Total membership	<u><u>1,414</u></u>

2) Funding Policy (FRS)

Firefighters contributed 8% of their salary to the Firemen's System, as mandated per State statute and adopted by City ordinance through February 1, 2013 (date frozen). The City is required to contribute the remaining amounts necessary to fund the Firemen's System.

3) Net Pension Liability (Asset) (FRS)

The City's net pension liability (asset) as of June 30, 2019 was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of October 1, 2018.

	Total pension liability (TPL) (a)	Fiduciary net position (FNP) (b)	Net pension liability (asset) (NPL) (a)-(b)
Balances at July 1, 2018	\$ 464,760	483,612	(18,852)
Changes for the year:			
Interest	32,730	—	32,730
Refunds of member contributions	(649)	(649)	—
Benefit payments	(32,161)	(32,161)	—
Difference between expected and actual experience	(5,442)	—	(5,442)
Assumption changes	—	—	—
Employer contributions	—	2,715	(2,715)
Net investment income	—	24,520	(24,520)
Transfer in due to settlement agreement	—	166	(166)
Administrative expenses	<u>—</u>	<u>(1,050)</u>	<u>1,050</u>
Net changes	<u>(5,522)</u>	<u>(6,459)</u>	<u>937</u>
Balances at June 30, 2019	<u><u>\$ 459,238</u></u>	<u><u>477,153</u></u>	<u><u>(17,915)</u></u>

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The Firemen's System net pension liability (asset) is recorded within the accompanying financial statements as follows:

Governmental activities	\$ (16,123)
Airport	<u>(1,792)</u>
	<u>\$ (17,915)</u>

Significant actuarial assumptions used in the valuation of the Firemen's System are as follows:

Date of actuarial valuation	October 1, 2018
Actuarial cost method:	
GASB 67 reporting	Entry Age Normal
Funding	Entry Age – frozen initial liability
Amortization method/period	30-year closed period from establishment
Asset valuation method	3-year smoothed average of market value
Inflation	2.75%
Investment rate of return	7.3%, net of investment expenses
Projected salary increases	Benefits frozen as of February 1, 2013; therefore no salary increases have been assumed
Mortality	RP-2014 mortality table, sex distinct

The actuarial assumption used in the October 1, 2018 actuarial valuation were based on the results of an actuarial experience study for the period October 2010 to October 2014 which was performed to compare the actual demographic and economic experience with the actuarial assumptions used in the actuarial valuation.

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The long-term expected rate of return on the Firemen's System investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of October 1, 2018, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Fixed income	25 %	(1.30)%
Domestic equity	26	4.30
International equity	24	4.70
Private equity	—	9.40
Real estate	15	4.80
Hedge funds	10	2.20
Total	<u>100 %</u>	

The discount rate used to measure the total pension liability (asset) was 7.30%. The projection of cash flows used to determine the discount rate assumed that the City would make the required contributions as defined by state statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees and their beneficiaries. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset). For the October 1, 2018 actuarial valuation, a 7.30% long-term rate of return was used. The sensitivity of the net pension liability (asset) to changes in the discount rate for the year ended June 30, 2019 for the City is as follows:

	Discount rate	Net pension liability (asset)
1% decrease	6.30 %	\$ 23,843
Current rate	7.30	(17,915)
1% increase	8.30	(53,528)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Firemen's System financial report.

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4) Pension Expense (FRS)

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$1,023. Annual pension expense consists of service cost, interest, and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a 5-year period. The pension expense for the City's fiscal year ended June 30, 2019 is summarized as follows:

Service cost	\$	—
Interest		32,730
Administrative expenses		1,050
Other changes – transfer due to settlement agreement		(166)
Projected earnings on pension plan investments		(34,173)
Recognized portion of assumption changes		10,044
Recognized portion of investment experience		2,422
Recognized portion of liability experience		<u>(10,884)</u>
Pension expense for year ended June 30, 2019	\$	<u><u>1,023</u></u>

5) Deferred Outflow/Inflow of Resources Related to Pension (FRS)

In accordance with GASB Statement No. 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2019, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

	<u>Deferred outflow of resources</u>	<u>Deferred inflow of resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ —	2,273
Difference between expected and actual liability experience	—	16,871
Change in assumptions	<u>—</u>	<u>—</u>
Total	<u><u>\$ —</u></u>	<u><u>19,144</u></u>

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The City recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of Firemen's System employees. The following table summarizes the future recognition of these items:

<u>Year ended June 30</u>	<u>Recognition</u>
2020	\$ (5,847)
2021	(10,842)
2022	(4,386)
2023	1,931
	<u>\$ (19,144)</u>

(b) Firefighters' Retirement Plan (Firefighters' Plan or FRP)

1) System Description (FRP)

The Firefighters' Plan administers a single employer defined benefit pension plan providing pension benefits to the City of St. Louis firemen.

The Firefighters' Plan issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to the Firefighters' Retirement Plan of the City of St. Louis; 1114 Market Street, Suite 910; St. Louis, Missouri 63101.

Effective February 1, 2013, benefit accruals under the Firemen's System were frozen. The Firefighters' Plan was established as of that date to provide retirement, disability, and death benefits for service rendered after the effective date. Credited service accrued under the Firemen's System counts toward benefit accruals under the Firefighters' Plan, but benefits attributable to such services are offset by the benefits payable by the Firemen's System. Under the Firefighters' Plan, the plan provisions for members who were active as of February 1, 2013 (Grandfathered Participants) are substantially the same as the plan provisions for the Firemen's System.

The Firefighters' Plan provides retirement benefits as well as death and disability benefits. Grandfathered members are those who were employed prior to February 1, 2013. Members can voluntarily retire after a minimum of 20 years of service and upon reaching the normal retirement age of 55. A member who has 20 years of service but has not yet reached the age of 55 may elect an early retirement with the normal retirement benefit deferred until reaching the age of 55. In lieu of a deferred retirement benefit, the member may elect to receive his/her retirement benefit beginning on his/her early retirement date or on the first day of any month thereafter prior to reaching age 55 with such benefit actuarially reduced from age 55. A member hired on or after the effective date of February 1, 2013 who terminates employment after completing 10 years of service, but before completing 20 years of service, is eligible for a full unreduced pension beginning at age 62. Such a member may elect to receive a refund of his/her contributions, plus interest, in lieu of a pension benefit.

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The monthly allowance is determined by the average final monthly compensation over the last 5 years of service. For grandfathered members, the average is over the last 2 years of service. The monthly allowance consists of 40% of the applicable final average monthly compensation at 20 years of service, plus 2% of such final average compensation for each of the next 5 years of service, plus 5% of final average compensation for each additional year of service after 25 years with a maximum pension of 75%. Unused accrued sick pay accumulated before September 20, 2010 may increase the maximum pension beyond this limitation.

A grandfathered member with 20 or more years of credited service may elect to enter the DROP program and defer retirement for up to 5 years while continuing active employment. The benefit payments the participant would have received during that period are deposited into the DROP account and earn interest at a rate equal to the percentage rate of return of the Trust Fund's investment portfolio for that year. After 5 years or termination from the DROP plan, the participant may retire or return to regular active service. Upon termination of employment, the participant can choose to receive the DROP account with interest earned. If the participant dies prior to termination of employment, the DROP account is paid as a lump sum to the participant's beneficiary or estate. Active service while in the DROP program is not included in the credited service used to calculate the participant's final benefit amount.

Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly in the DROP account of the member, and the member's contributions will be reduced to 1% from the normal contribution percentage. During participation in the DROP, the member will not receive credit for City contributions or credit for service. A member may participate in the DROP only once for any period up to five years. At retirement the funds in the member's DROP account plus: 1) interest and 2) accrued sick leave if elected is available to the member in a lump sum or in installments.

The Firefighters' Plan membership consisted of the following as of September 30, 2018:

Retirees and beneficiaries currently receiving benefits	68
Current active members:	
Vested – Non-DROP	435
Vested – participating DROP	65
Nonvested	148
	<hr/>
Total current active members	648
	<hr/>
Total membership	716
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2) Funding Policy (FRP)

A grandfathered member with at least 20 years of service as of February 1, 2013, contributes 8% of their salary, after-tax. All other members contribute 9% of their salary, pretax. The City is required to contribute the remaining amounts necessary to fund Firefighters' Plan. All members who terminate employment before becoming eligible to receive a retirement benefit will receive a refund of all contributions plus interest. Members hired after February 1, 2013 who terminate employment before reaching age 55 and elect a refund of contributions in lieu of a pension benefit will also receive a refund of their contributions plus interest, as will grandfathered members who terminate employment before completing 20 years of service. Contributions to the Firefighters' Plan made on or after the inception of the Firefighters' Plan are not refundable to a member who receives a service retirement benefit, ordinary disability benefit, or a service connected disability benefit; except that contributions to the Firefighters' Plan by a grandfathered member with at least 20 years of service as of inception who receives a service retirement benefit are refundable without interest.

An agreement between the City and the Firemen's System was reached regarding the recognition of City contributions under Board Bill 109. The City made contributions to the Firemen's System from February 1, 2013 to September 30, 2013. The contributions for this period recognize the impact of Board Bill 109, certain excess Firemen's System City contributions were transferred from the Firemen's System to the Firefighters' Plan in the amount of \$6,883 equal to the Firefighters' Plan City required contribution for the period February 1, 2013 to September 30, 2013 and a portion of the excess Firemen's System City contribution was credited towards the Firemen's System Entry Age Normal Agreement (Fireman's Retirement EAN Note) with the City in the amount of \$3,396.

3) Net Pension Liability (FRP)

The City's net pension liability for Firefighters' Plan as of June 30, 2019 was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018.

	Total pension liability (TPL)	Fiduciary net position (FNP)	Net pension liability (NPL)
	(a)	(b)	(a)-(b)
Balances at July 1, 2018	\$ 100,014	61,267	38,747
Changes for the year:			
Service cost	7,620	—	7,620
Interest	7,777	—	7,777
Difference between expected and actual experience	6,428	—	6,428
Change in benefits	—	—	—
Change in assumptions	—	—	—

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	Total pension liability (TPL) (a)	Fiduciary net position (FNP) (b)	Net pension liability (NPL) (a)-(b)
Benefit payments	\$ (746)	(746)	—
Contributions – employer	—	8,023	(8,023)
Contributions – member	—	3,172	(3,172)
Net investment income	—	5,683	(5,683)
Administrative expenses	—	(414)	414
Net changes	<u>21,079</u>	<u>15,718</u>	<u>5,361</u>
Balances at June 30, 2019	\$ <u><u>121,093</u></u>	<u><u>76,985</u></u>	<u><u>44,108</u></u>

The Firefighters' Plan net pension liability is recorded within the accompanying financial statements as follows:

Governmental activities	\$ 39,697
Airport	<u>4,411</u>
	<u><u>\$ 44,108</u></u>

The following were some of the significant actuarial assumptions used in the valuation of the Firefighters' Plan:

Date of actuarial valuation	October 1, 2018
Actuarial cost method	30-year closed period from establishment
GASB 67 reporting	Entry Age Normal
Funding	Entry Age Normal
Remaining amortization period	Started February 1, 2013
Asset valuation method	5 – year smoothed market
Inflation	2.75%
Investment rate of return	7.25%, net of investment expenses
Projected salary increases	Varies based on employee's years of service
Mortality	RP-2014 Blue Collar Employee table adjusted to 2006 with MP-2017

The actuarial assumptions used in the October 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period October 2013 through September 2017.

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The long-term expected rate of return on the Firefighters' Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2018, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Domestic large cap equity	30 %	6.10 %
Domestic mid cap equity	20	8.70
Foreign equity	20	4.30
Foreign equity – emerging market	5	10.30
Real estate	5	6.40
Fixed income	20	1.60
Total	<u>100 %</u>	

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed the City would make the required contributions as defined by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. For the October 1, 2018 actuarial valuation, a 7.25% long-term rate of return was used. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2019 for the City is as follows:

	Discount rate	Net pension liability
1% decrease	6.25 %	\$ 60,741
Current rate	7.25	44,108
1% increase	8.25	29,956

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Firefighters' Plan financial report.

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4) Pension Expense (FRP)

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$8,769. Annual pension expense consists of service cost, interest, and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a 5-year period. The pension expense for the City's fiscal year ended June 30, 2019 is summarized as follows:

Service cost	\$ 7,620
Interest	7,777
Administrative expenses	414
Contributions – employee	(3,172)
Projected earnings on pension plan investments	(4,513)
Benefit changes	—
Recognized portion of current-period liability gains and losses	609
Recognized portion of change in assumptions	320
Recognized portion of current-period investment gains and losses	<u>(286)</u>
Pension expense for year ended June 30, 2019	<u><u>\$ 8,769</u></u>

5) Deferred Outflow/Inflow of Resources Related to Pension (FRP)

In accordance with GASB Statement No. 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2019, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

	<u>Deferred outflow of resources</u>	<u>Deferred inflow of resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ —	2,145
Differences between expected and actual experience	9,673	2,010
Change in assumptions	<u>11,122</u>	<u>14,761</u>
Total	<u><u>\$ 20,795</u></u>	<u><u>18,916</u></u>

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The City recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over 5 years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the Firefighters' Plan employees. The following table summarizes the future recognition of these items:

<u>Year ended June 30</u>	<u>Recognition</u>
2020	\$ 581
2021	93
2022	202
2023	1,365
2024	(1,329)
Thereafter	967
	<u>\$ 1,879</u>

(c) Police Retirement System of St. Louis (Police System or PRS)

1) System Description (PRS)

All persons who become police officers and all police officers that enter or reenter SLPD after October 1, 1957 become members of the Police System and are thereby eligible to participate from their date of hire. The Police System issues a publicly available financial report that includes financial statements and supplementary information. That information may be obtained by writing to the Police Retirement System of St. Louis; 2020 Market Street, St. Louis, Missouri 63103.

The Police System provides retirement benefits as well as death and disability benefits. Members can voluntarily retire after a minimum of 20 years of service or attaining age 55. The monthly allowance consists of 40% of the two-year average final compensation for the first 20 years of services, plus 2% of such final average compensation for each of the next 5 years of service, plus 4% of average final compensation for each additional year of service after 25 years up to a maximum of 30 years. The monthly allowance of members who have in excess of 30 years of service is increased by 5%. The maximum pension is 75% of average final compensation. Such benefits are established by the State statute.

The Police System implemented a DROP feature during the Police System's fiscal year ended September 30, 1996. The DROP option is available to members of the Police System who have at least 20 years of creditable service and have achieved eligibility for retirement. Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly in the DROP account, and will no longer make contributions to the Police System. During participation in the DROP, the member will not receive credit for service and the member shall not share in any benefit improvement that is enacted or becomes effective while such member is participating in the DROP. A member may participate in the DROP only once for any period up to 5 years, at which point the member may reenter the Police System. At retirement, the

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funds in the member's DROP account plus interest are available to the member in a lump sum or in installments.

The Police System membership consisted of the following as of September 30, 2018:

Retirees and beneficiaries currently receiving benefits	1,920
Current active members:	
Vested – in DROP	123
Vested – not in DROP	247
Total vested	370
Nonvested	891
Total current active members	1,261
Total members	3,181

2) Funding Policy (PRS)

Police officers are required to contribute 7% of their compensation to the Police System per State statute. The City is required to contribute the remaining amounts necessary to fund the Police System, determined in accordance with City ordinances. Upon leaving employment due to service retirement, death, or disability due to an accident in the actual performance of duty, the member's contributions are refunded. Members whose employment terminates prior to retirement are entitled to a lump-sum distribution of their contribution plus interest thereon.

3) Net Pension Liability (PRS)

The City's net pension liability for Police System as of June 30, 2019 was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018.

	Total pension liability (TPL) (a)	Fiduciary net position (FNP) (b)	Net pension liability (NPL) (a)-(b)
Balances at July 1, 2018	\$ 1,058,653	776,580	282,073
Changes for the year:			
Service cost	16,370	—	16,370
Interest	68,899	—	68,899
Difference between expected and actual experience	(4,887)	—	(4,887)
Change in assumption	(59,546)	—	(59,546)
Contributions – employer	—	33,105	(33,105)

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	Total pension liability (TPL) (a)	Fiduciary net position (FNP) (b)	Net pension liability (NPL) (a)-(b)
Contributions – employee	\$ —	5,129	(5,129)
Net investment income	—	51,089	(51,089)
Benefit payments	(68,576)	(68,576)	—
Administrative expenses	—	(1,166)	1,166
Net changes	(47,740)	19,581	(67,321)
Balances at June 30, 2019	\$ <u>1,010,913</u>	<u>796,161</u>	<u>214,752</u>

The Police System net pension liability is recorded within governmental activities with the accompanying financial statements.

Significant actuarial assumptions used in the valuation of the Police System are as follows:

Date of actuarial valuation	October 1, 2018
Actuarial cost method	
GASB 67 reporting	Entry Age Normal
Funding	Aggregate, reduced by employee contributions
Amortization method/period	None – aggregate is funded over the future working lifetime of current participants
Asset valuation method	5-year smoothed average of market value
Inflation	2.50%
Investment rate of return	7.50%, net of 0.15% administrative expenses
Projected salary increases	3.00%–6.25%, varying by age
Mortality (Ordinary)	RP-2014 Blue Collar projected with MP-2015 with 1.15 adjustment
Mortality (Accidental)	0.03% per year for all ages in addition to ordinary mortality
Mortality (Disabled)	RP-2014 Disabled Retiree with MP-2015 with 0.9 adjustment male and no adjustment female

The actuarial assumptions used in the October 2018 actuarial valuation were based on the results of an actuarial experience study performed for the five year period ending September 2015.

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The long-term expected rate of return on the Police System investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2018, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Fixed income	19 %	1.20 %
Domestic equity	30	4.95
Foreign equity	25	4.95
Nondirectional hedge fund of funds	5	2.90
Real estate (REIT)	8	4.09
Private equity (partnerships)	8	7.70
Other/money market	5	(1.60)
Total	<u>100 %</u>	

The discount rate used to calculate the present value of future benefit payments for reporting purposes is based upon the projected plan net position (PNP) using actuarial assumptions about contributions, benefit payments, and the long-term rate of return. If the projected PNP is not sufficient to cover projected benefit payments, a blended discount rate is required using both the weighted average of the long-term rate of return and the high grade bond muni-bond rate for periods after the PNP is exhausted. The plan currently uses the long-term discount rate of 7.50% and expects assets will be sufficient to cover PNP until 2066. The muni-bond rate used in the valuation was 4.18% and is based on the Bond Buyers General Obligation 20 Year High Grade Rate Municipal Bond Index (AA/Aa or higher). Since the PNP was projected to be insufficient to make all projected benefit payments of current plan members, a blended discount rate of 7.24% was used to calculate the plan's present value of future benefit payments. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2019 for the City is as follows:

	Discount rate	Net pension liability
1% decrease	6.24 % \$	323,715
Current rate	7.24	214,752
1% increase	8.24	124,219

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Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued Police System financial report.

4) Pension Expense (PRS)

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$35,051. Annual pension expense consists of service cost, interest, and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a 5-year period. The pension expense for the fiscal year ended June 30, 2019 is summarized as follows:

Service cost	\$	16,369
Interest		68,899
Administrative expenses		1,166
Contributions – employee		(5,129)
Projected earnings on pension plan investments		(57,083)
Recognized portion of change in assumptions		5,716
Recognized portion of current-period liability gains and losses		(1,553)
Recognized portion of current-period difference between projected and actual earnings on pension plan investments		<u>6,666</u>
Pension expense for year ended June 30, 2019	\$	<u><u>35,051</u></u>

5) Deferred Outflow/Inflow of Resources Related to Pension (PRS)

In accordance with GASB Statement No. 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2019, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

	<u>Deferred outflow of resources</u>	<u>Deferred inflow of resources</u>
Difference between expected and actual liability experience	\$ 1,304	3,258
Net difference between projected and actual earnings on pension plan investments	—	8,120
Change in assumptions	<u>—</u>	<u>58,082</u>
Total	\$ <u><u>1,304</u></u>	<u><u>69,460</u></u>

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The City recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the Police System's employees. The following table summarizes the future recognition of these items:

	<u>Recognition</u>
Year ended June 30:	
2020	\$ (33,236)
2021	(29,060)
2022	(7,059)
2023	<u>1,199</u>
	<u>\$ (68,156)</u>

(d) Employees Retirement System of the City of St. Louis (Employees System or ERS)

1) System Description (ERS)

All nonuniformed employees of the City and certain other public entities funded by or providing services to residents of the City become members of the Employees Retirement System upon employment with the exception of employees hired after attaining age 60.

The Employees System issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to the Employees Retirement System of the City of St. Louis; 1114 Market Street, Suite 900; St. Louis, Missouri 63101.

The Employees System provides for defined benefit payments for retirement, death, or disability to eligible employees or their beneficiaries based upon creditable service, final average compensation, and a benefit compensation base. Benefits vest with employees covered by the Employees System after the employee has attained 5 years of creditable service. Employees retire with full retirement benefits after the age of 65 or if the employee's age and creditable service combined equal or exceed 85. Employees may retire and receive a reduced benefit after age 60 with 5 years of creditable service; age 55 with at least 20 years of creditable service; or at any age with 30 years of creditable service. The monthly pension benefits of all retirees or their beneficiaries are adjusted accordingly to the changes in the Consumer Price Index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

On June 8, 2000, the Mayor of the City approved an ordinance passed by the Board of Aldermen, authorizing a Deferred Retirement Option Plan (DROP), which became effective January 1, 2001. This plan states that when members reach retirement age, they are allowed to work for five additional years and defer receipt of their retirement allowance. The calculation of average salary for retirement benefits will not include the additional years of service after normal retirement age.

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The amount that would have been received as retirement benefit is put in a special DROP account monthly. The DROP account will not be adjusted for cost of living increases as the normal retirement benefits are. The DROP account earns interest at the actuarial valuation rate of return and at the 10-year U.S. Treasury Bond yield as of September 30, for DROP participants enrolling February 1, 2003 and thereafter. After the member completely terminates employment, the member can withdraw amounts from the DROP account in a lump sum or according to a deferred retirement payment plan.

2) Funding Policy (ERS)

The Employees System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method. Employer contribution rates are established annually by the Board of Trustees of the Employees System based on an actuarial study. Deductions from plan assets are financed from plan additions. The Board of Trustees established the required employer contributions rate based on active member payroll of 12.36% effective July 1, 2018 and 12.22% of active member payroll effective July 2017.

Employees who became members of the Employees System prior to October 14, 1977, and continued to make contributions, may make voluntary contributions to the Employees System equal to 3% of their compensation until the employee's compensation equals the maximum annual taxable earnings under the Federal Social Security Act. Thereafter, employees may contribute 6% of their compensation for the remainder of the calendar year.

The City's contributions to Employees System for the year ended June 30, 2019 were \$24,039.

3) Net Pension Liability (ERS)

The City reported a liability of \$138,806 for its proportionate share of the net pension liability as of June 30, 2019. The Employees Systems net pension liability is recorded within the accompanying financial statements as follows:

Governmental activities	\$	111,818
Airport		14,725
Water Division		9,600
Parking Division		<u>2,663</u>
	\$	<u><u>138,806</u></u>

The net pension liability was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018. The City's proportion of the net pension liability was based on the City's share of contributions to the Employees System relative to the contributions of all Employees System

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participating employers. At September 30, 2018, the City's collective proportion was 82.04%, which was a decrease of 0.86% from its proportion measured as of September 30, 2017 of 82.9%.

Significant actuarial assumptions used in the valuation of the Employees System are as follows:

Date of actuarial valuation	October 1, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Fixed 20 year period as of October 2015 as a level percentage of payroll
Remaining amortization period	20 years as of October 2015
Asset valuation method	5-year smoothed market
Inflation	2.50%
Long-term rate of return	7.50%
Projected salary increases	3.00% plus merit component based on employee's years of service
Mortality Healthy	RP-2000 Healthy Mortality 3-year set-forward with generational projections using Scale AA
Mortality Disabled	RP-2000 Disabled Mortality 3-year set-forward with generational projections using Scale AA

The actuarial assumptions used in the October 1, 2018 actuarial valuation were based on the results of an actuarial experience study performed in 2015 which reviewed all the economic and demographic assumptions.

The long-term expected rate of return on the Employees System investments was determined using a building-block approach and forward looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the Employees System relies primarily on an approach which builds upon the last capital market assumption. Specifically, the Employees System uses Summit Strategies Group capital market assumptions in analyzing the Employees System's asset allocation. The assumptions and Employees Systems' formal policy for asset allocation are shown below.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to the expected long-term real return and reflecting expected volatility and correlation.

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For each major asset class that is included in the pension plan's target asset allocation as of September 30, 2018, these best estimates are summarized in the following table:

Asset class	Target allocation	Long-term* expected real rate of return
Large cap	19.00 %	7.00 %
Small cap	4.50	7.30
International large cap	17.30	7.30
Emerging markets	6.70	8.50
High yield	5.00	6.00
Master limited partnerships	7.50	8.00
Core fixed income	12.50	4.00
International fixed income	4.00	3.80
Core real estate	10.00	6.80
Treasury inflation protected securities	3.50	3.80
Hedge funds	10.00	5.50
Total	100.00 %	
* Geometric return		

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. For the October 1, 2018 actuarial valuation, a 7.50% long-term rate of return was used. The sensitivity of the net pension liability to changes in the discount rate for the year ended June 30, 2019 for the City is as follows:

	Discount rate	Net pension liability
1% decrease	6.50 %	\$ 219,534
Current rate	7.50	138,806
1% increase	8.50	69,708

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees System financial report.

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4) Pension Expense (ERS)

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$22,997. Annual pension expense consists of service cost, interest, and administrative expenses on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a 5-year period.

5) Deferred Outflow/Inflow of Resources Related to Pension (ERS)

In accordance with GASB Statement No. 68, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflows/inflows of resources. At June 30, 2019, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

	Deferred outflow of resources	Deferred inflow of resources
Differences between expected and actual experience	\$ —	8,290
Net difference between projected and actual earnings on pension plan investments	2,987	—
Changes in proportion	74	1,268
Changes in assumptions	—	—
Contributions subsequent to the measurement date	18,393	—
Total	\$ <u>21,454</u>	<u>9,558</u>

The \$18,393 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

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The City recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the Employee System's participants. The following table summarizes the future recognition of these items:

	<u>Recognition</u>
Year ended June 30:	
2020	\$ 4,165
2021	(9,330)
2022	(3,151)
2023	<u>1,819</u>
	<u>\$ (6,497)</u>

(e) Component Unit – SLDC

The SLDC Employees Retirement Plan and Trust (SLDC plan) became effective January 1, 1989. Required year ended June 30, 2019 contributions of \$344, which amount to 9% of current covered payroll, were made by SLDC. For the year ended June 30, 2019, SLDC's current covered payroll was \$3,820 and total payroll amounted to \$4,490. Employees are not required to contribute to the SLDC Plan; however, they can contribute up to 5½% of their monthly compensation if they so elect. In order to be eligible under the SLDC Plan, the participant must be a full-time employee, have attained the age of 18, and completed at least six months of active service. The employees vest at a rate of 33% per annum with full vesting occurring after the end of their third year of service. The SLDC Plan does not hold any employer or related-party securities. All plan investments are self-directed by the respective plan participants, within the limitations of the plan.

(11) Other Postemployment Benefits Plan

Plan Description

The City is obligated under Chapter 84.160 RSMo to provide medical and life insurance benefits for civilian and commissioned Police employees hired prior to local control, September 1, 2013, and the only eligible employees are those in service or retired prior to this date. The City provides these other postemployment benefits (OPEB) under a single-employer, defined benefit postemployment plan that is administered by the City. No assets are accumulated in a trust that meets the criteria of GASB Statement No. 75. The OPEB plan does not issue a separate financial report.

Commissioned Police employees may retire and receive benefits under the OPEB plan after 20 years of creditable service, regardless of age. Civilian Police employees may retire and receive benefits under the OPEB plan after attaining age 55 with 20 years of service, or after attaining age 60 with 5 years of service. The disability eligibility for officers for a service disability has no minimum age or service requirements and for an ordinary disability is 10 years of service. The disability eligibility for civilians is 5 years of service.

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For eligible retired employees and disabled employees under age 65, the OPEB plan pays the full cost of a base healthcare plan. Retirees may elect to pay costs associated with a buy-up healthcare plan, which provides coverage in excess of the base healthcare plan. For eligible retired employees and disabled employees over 65, the OPEB plan pays the costs of a Medicare Supplement Plan. Retirees pay the full cost of spouse healthcare coverage. Additionally, the OPEB plan provides a postretirement death benefit of \$3.

The City has elected to have an actuarial valuation performed biennially, unless significant changes occur that affect the results of the most recent valuation. At June 30, 2019, the date of the latest actuarial valuation, plan membership consisted of the following:

Retired participants	1,586
Active members	<u>1,416</u>
Total plan members	<u><u>3,002</u></u>

Total OPEB Liability

The City's total OPEB liability of \$550,161 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date. The total OPEB liability is recorded within governmental activities with the accompanying financial statements.

Changes in Total OPEB Liability

	<u>Total OPEB liability</u>
Balances at June 30, 2018	\$ 489,731
Changes for the year:	
Service cost	14,768
Interest	19,285
Differences between expected and actual	
Experience	(1,219)
Change in assumption	40,079
Benefit payments	<u>(12,483)</u>
Net changes	<u>60,430</u>
Balances at June 30, 2019	<u><u>\$ 550,161</u></u>

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OPEB Expense

For the fiscal year ended June 30, 2019, the City recognized plan expense of \$38,303. The expense for the fiscal year ended June 30, 2019 is summarized as follows:

Service cost	\$ 14,768
Interest	19,285
Recognized portion of OPEB liability	(332)
Recognized portion of change in assumptions	<u>4,582</u>
Pension expense for year ended June 30, 2019	<u>\$ 38,303</u>

Actuarial Methods and Assumptions

The projection of future benefit payments for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and includes the types of benefits provided at the time of each valuation, as amended for significant changes to the plan that would impact the valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant actuarial assumptions used in the valuation of the plan are as follows:

	June 30, 2019		
Actuarial cost method	Entry Age Normal as a % of Salary		
Funding policy:	The Plan is unfunded and projected to be unfunded		
Discount rate:	July 1, 2019 – 3.51%		
Salary increase:	Officers: 6.25% for first 9 yrs. of service, 3.50% for 10 to 19 yrs. of service, and 3.0% thereafter Civilians: 4.25% for first year of service grading down to 3.00% at 20 yrs. of service		
Healthcare trends:			
	<u>Year</u>	<u>Pre-Medicare</u>	<u>Post Medicare</u>
	2019	7.26 %	8.14 %
	2020	6.81	7.55
	2021	6.35	6.95
	2022	5.89	6.35
	2023	5.43	4.74
	2024	4.97	5.12
	2025+	4.50	4.50
Mortality (Healthy):	Pub-2010 Public Retirement Plans Safety Mortality Table MP-2019		
Mortality (Disabled):	Pub-2010 Public Retirement Plans Safety Disabled Mortality Table MP-2019		

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The sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates for the year ended June 30, 2019 for the City is as follows:

	<u>Discount rate</u>	<u>Total OPEB liability</u>
1% decrease	2.51 %	\$ 651,595
Current rate	3.51	550,161
1% increase	4.51	471,199

<u>Healthcare trend rates</u>	<u>Total OPEB liability</u>
1% decrease	\$ 462,338
Current rate	550,161
1% increase	664,502

Deferred Outflow/Inflow of Resources Related to OPEB

In accordance with GASB Statement No. 75, the City recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, and contributions subsequent to the measurement date as deferred outflow/inflow of resources. At June 30, 2019, the City reported deferred outflow of resources and deferred inflow of resources related to plan from the following sources as follows:

	<u>Deferred outflow of resources</u>	<u>Deferred inflow of resources</u>
Difference between expected and actual liability experience	\$ —	887
Net difference between projected and actual earnings on pension plan investments	—	—
Change in assumptions	29,158	10,585
Total	\$ <u>29,158</u>	<u>11,472</u>

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The differences in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected service life of all employees (3.67 years) in the postretirement plan:

	<u>Recognition</u>
Year ended June 30:	
2020	\$ 4,250
2021	6,342
2022	7,094
2023	—
2024	—
	<u>\$ 17,686</u>

Funding Status and Funding Progress

As of June 30, 2019, the most recent actuarial valuation date, the plan was 0% funded. The June 30, 2019 actuarial valuation stated the total OPEB liability was \$550,161, and the actuarial value of assets was \$0. The covered payroll (annual payroll of active employees covered by the plan) was \$99,673, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 551.96%.

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made throughout the future.

The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(12) Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employees or other beneficiary) held in trust for the exclusive benefit of the employees. As such, the trust account and related liability are not included in the basic financial statements.

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(13) Long-Term Liabilities

(a) Changes in Long-Term Liabilities

Following is a summary of the changes in long-term liabilities for the year ended June 30, 2019:

	Primary government June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due within one year
Governmental activities:					
Public offerings:					
General obligation bonds payable	\$ 33,060	46,410	(4,905)	74,565	2,220
Development and Tax increment financing bonds and notes payable	8,255	—	(1,080)	7,175	472
Certificates of participation	3,105	—	(740)	2,365	765
Obligations with component unit	84,235	—	(5,658)	78,577	5,335
Leasehold revenue improvement and refunding revenue bonds	378,428	—	(14,583)	363,845	10,313
Joint venture financing agreement	19,093	—	(5,183)	13,910	5,402
Unamortized discounts	(2,322)	—	185	(2,137)	—
Unamortized premiums	26,608	5,023	(2,594)	29,037	—
Direct borrowings and direct placements:					
Section 108 Loan Guarantee					
Assistance Programs	17,110	—	(5,360)	11,750	5,700
Development and Tax increment financing bonds and notes payable	355,983	23,303	(10,893)	368,393	24,851
Energy Loan Program	910	—	(132)	778	136
Capital lease – rolling stock	8,917	7,000	(4,719)	11,198	3,877
Loan agreement with FPF	21,745	—	(1,530)	20,215	481
Leasehold revenue improvement and refunding revenue bonds	21,734	—	(2,585)	19,149	2,630
Other long-term liabilities:					
Net pension liability	432,848	4,825	(71,406)	366,267	—
Total OPEB liability	489,731	60,430	—	550,161	13,725
Accrued vacation and sick leave	50,964	29,190	(29,532)	50,622	23,381
Claims and judgments payable	52,924	34,303	(39,788)	47,439	20,042
Governmental activities long-term liabilities	<u>\$ 2,003,328</u>	<u>210,484</u>	<u>(200,503)</u>	<u>2,013,309</u>	<u>119,330</u>

The City's governmental activities does not have any unused lines of credit.

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Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities claims and judgments payable, accrued vacation and sick leave benefits, net pension obligations, and landfill closure costs are generally liquidated by the general fund.

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due within one year
Business-type activities:					
Airport:					
Public offerings:					
Revenue bonds payable	\$ 630,255	97,145	(35,780)	691,620	129,750
Unamortized discounts and premiums	51,775	22,867	(7,366)	67,276	—
Unearned lease revenues	4,347	—	(280)	4,067	—
Other long-term liabilities:					
Net pension liability	19,208	—	(72)	19,136	—
Pension funding project	4,704	—	(132)	4,572	141
Other	372	—	—	372	—
Accrued vacation, compensatory, and sick time benefits	5,356	3,316	(3,619)	5,053	3,316
Total Airport	<u>716,017</u>	<u>123,328</u>	<u>(47,249)</u>	<u>792,096</u>	<u>133,207</u>
Water Division:					
Public offerings:					
Revenue bonds payable	8,063	—	(430)	7,633	439
Other long-term liabilities:					
Customer deposits	2,152	551	(878)	1,825	—
Net pension liability	10,162	—	(562)	9,600	—
Pension funding project	2,791	—	(79)	2,712	84
Accrued vacation and sick time benefits	3,102	180	(229)	3,053	1,809
Total Water Division	<u>26,270</u>	<u>731</u>	<u>(2,178)</u>	<u>24,823</u>	<u>2,332</u>
Parking Division:					
Public offerings:					
Revenue bonds payable	61,092	—	(3,404)	57,688	3,547
Unamortized discounts and premiums, net	2,887	—	(187)	2,700	—
Other long-term liabilities:					
Net pension liability	2,622	41	—	2,663	—
Pension funding project	758	—	(21)	737	—
Other	88	—	(22)	66	—
Total Parking Division	<u>67,447</u>	<u>41</u>	<u>(3,634)</u>	<u>63,854</u>	<u>3,547</u>
Business-type activities long-term liabilities	<u>\$ 809,734</u>	<u>124,100</u>	<u>(53,061)</u>	880,773	139,086
Less amounts recorded in:					
Accrued salaries and other benefits				(5,125)	(5,125)
Accounts payable and accrued liabilities				(225)	(225)
				<u>\$ 875,423</u>	<u>133,736</u>

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(b) General Obligation Bonds (Public Offerings)

On November 15, 2018 the City issued \$46,410 in General Obligation Bonds (GOB), Series 2018, with an average interest rate of 5%. A deposit of \$50,731 (after the addition of a \$5,023 premium and less cost of issuance of \$702) was placed with the Trustee to be applied on various City projects.

Principal and interest requirements for GOB Series 2016, 2016A and 2018 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2020	\$ 2,220	3,488	5,708
2021	2,430	3,380	5,810
2022	2,340	3,282	5,622
2023	2,525	3,188	5,713
2024	2,665	3,086	5,751
2025-2029	16,335	13,404	29,739
2030-2034	22,600	8,774	31,374
2035-2037	23,450	2,891	26,341
	<u>\$ 74,565</u>	<u>41,493</u>	<u>116,058</u>

(c) Section 108 Loan Guarantee Assistance Programs (Direct Debt)

Principal and interest requirements for the combined Section 108 program notes are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2020	\$ 5,700	207	5,907
2021	6,050	74	6,124
	<u>\$ 11,750</u>	<u>281</u>	<u>12,031</u>

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(d) Development and Tax Increment Financing Bond and Notes Payable

The City issued a total of \$23,303 in Development and Tax Increment Financing (TIF) bonds and notes payable during fiscal year 2019.

1) Principal and Interest Requirements – Public Offerings:

Principal and interest requirements for the development and tax increment financing debt issues that are associated with public offerings are as follows:

	TIF Bonds and notes		Total
	Principal	Interest	
Year ending June 30:			
2020	\$ 472	473	945
2021	500	446	946
2022	529	417	946
2023	560	386	946
2024	593	352	945
2025-2029	2,681	1,248	3,929
2030-2034	1,840	382	2,222
	<u>\$ 7,175</u>	<u>3,704</u>	<u>10,879</u>

2) Principal and Interest Requirements – Direct Debt

Principal and interest requirements for the development and tax increment financing debt issues that are associated with direct borrowings or direct placements are as follows:

	TIF Bonds and notes		Total
	Principal	Interest	
Year ending June 30:			
2020	\$ 24,851	23,720	48,571
2021	26,440	22,133	48,573
2022	28,132	20,441	48,573
2023	27,147	18,637	45,784
2024	28,882	16,902	45,784
2025-2029	138,510	56,149	194,659
2030-2034	67,673	20,636	88,309
2035-2038	26,758	3,346	30,104
	<u>\$ 368,393</u>	<u>181,964</u>	<u>550,357</u>

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(e) Loan Agreement With Missouri Department of Economic Development – Energy Loan Program (DED-DE) (Direct Debt)

Principal and interest requirements under the loan agreement with the DED-DE are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2020	\$ 136	20	156
2021	140	17	157
2022	144	13	157
2023	148	9	157
2024	152	4	156
2025	58	1	59
	<u>\$ 778</u>	<u>64</u>	<u>842</u>

(f) Capital Lease – Rolling Stock (Direct Debt)

On September 18, 2018, the City entered into a capital lease agreement with draws in the amount of \$5,500 and \$1,500 at a rate of 3.03% and 3.23% respectively. The proceeds are to be used to purchase rolling stock. Equal payments of \$1,061 are to be made annually with the final due February 1, 2026.

In the event of default, the lessor may accelerate payment, take position of the equipment, or apply a default rate to the principal portion of the rental payments.

The following is a schedule of future minimum lease payments as of June 30, 2019.

Year ending June 30:	
2020	\$ 4,165
2021	1,412
2022	1,412
2023	1,412
2024	1,412
2025-2026	<u>2,354</u>
Total future minimum lease payments	12,167
Amount representing interest	<u>(969)</u>
Present value of net minimum lease payments	<u>\$ 11,198</u>

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(g) Certificates of Participation (Public Offerings)

The City has a master lease agreement with SLDC, whereby the City has leased Stadium East Redevelopment Project and related property and portions of the City Block 210 (the Kiel Premises) to SLDC.

The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation, which supports the Kiel Premises, as of June 30, 2018.

Year ending June 30:		
2020	\$	817
2021		818
2022		<u>818</u>
Total future minimum obligation payments		2,453
Amount representing interest		<u>(88)</u>
Present value of net minimum obligation payments	\$	<u><u>2,365</u></u>

No capital assets are recorded by the City on its statement of net position in conjunction with this obligation due to the proceeds being used for demolition and site preparation.

(h) Obligations with Component Unit (Public Offerings)

1) Convention Center – SLDC Series 2000 Bonds

In 2000, SLDC issued Series 2000 Compound Interest Leasehold Revenue Bonds (Series 2000 Bonds) in the amount of \$40,000 for the purpose of providing funding for the construction of a convention center hotel within the vicinity of the Convention Center. Under the Agreement, SLMFC has assigned its rights under the lease relative to the Series 2000 Bonds to SLDC. The City is required, beginning on July 15, 2011, to make lease payments to SLDC to fund the annual debt service payments for the Series 2000 Bonds.

The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation as of June 30, 2019.

Year ending June 30:		
2020	\$	15,295
2021		<u>15,295</u>
Total future minimum obligation payments		30,590
Amount representing interest		<u>(20,285)</u>
Present value of net minimum obligation payments	\$	<u><u>10,305</u></u>

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No capital assets are recorded by the City on its statement of net position in conjunction with this obligation due to the proceeds of this obligation being used for construction of a convention center hotel that is not owned by the City.

2) 600 Washington Project – SLDC Series 2010 Bonds

On March 5, 2010, The Land Clearance for Redevelopment Authority (LCRA) issued \$16,960 Recovery Zone Facility Special Obligation Redevelopment Bonds Series 2010 (LCRA Series 2010 bonds) for the 600 Washington Project, a contractual obligation of the City.

The following is a schedule, by years, of the future minimum payments together with the present value of the net minimum payments for the obligation as of June 30, 2019.

Year ending June 30:

2020	\$ 993
2021	1,013
2022	1,044
2023	1,067
2024	1,109
2025-2029	6,032
2030-2034	7,023
2035-2039	<u>7,397</u>
Total future minimum obligation payments	25,678
Amount representing interest	<u>(11,011)</u>
Present value of net minimum obligation payments	<u>\$ 14,667</u>

3) Scottrade Center Project – SLDC Series 2018A Bonds

On March 15, 2018, The Land Clearance for Redevelopment Authority (LCRA) issued \$53,605 Recovery Zone Facility Special Obligation Redevelopment Bonds Series 2018A (LCRA Series 2018A bonds) for the Scottrade Center Project, a contractual obligation of the City. Concurrently with the execution and delivery of the Trust Indenture and the original issuance of the LCRA Series 2018A bonds, the SLDC, the City and the developer entered into a Financing Agreement.

Year ending June 30:

2020	\$ 1,485
2021	1,485
2022	2,485
2023	2,587
2024	2,586
2025-2029	13,821

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2030-2034	\$	16,727
2035-2039		22,424
2040-2044		22,430
2045-2048		<u>17,942</u>
Total future minimum obligation payments		103,972
Amount representing interest		<u>(50,367)</u>
Present value of net minimum obligation payments	\$	<u><u>53,605</u></u>

(i) Loan Agreement with Forest Park Forever (Direct Debt)

During fiscal year 2018, the SLMFC issued \$9,825 in additional Forest Park Taxable Subordinate Leasehold Revenue Bonds.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2020	\$ 481	924	1,405
2021	502	902	1,404
2022	525	879	1,404
2023	549	855	1,404
2024	575	830	1,405
2025-2029	3,291	3,730	7,021
2030-2034	4,116	2,906	7,022
2035-2039	5,146	1,876	7,022
2040-2043	<u>5,030</u>	<u>587</u>	<u>5,617</u>
	\$ <u><u>20,215</u></u>	<u><u>13,489</u></u>	<u><u>33,704</u></u>

(14) Leasehold Revenue Improvement and Refunding Revenue Bonds – Public Offerings and Direct Debt

(a) Pension Funding Project 2007

The long-term liability for the Pension Funding Project Series 2007 debt is reflected as a long-term liability within the accompanying basic financial statements as follows as of June 30, 2019:

Governmental activities	\$ 108,154
Business-type activities	<u>8,021</u>
	\$ <u><u>116,175</u></u>

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(b) Principal and Interest Requirements – Public Offerings

Principal and interest requirements for the Leasehold Revenue Improvement and Refunding Bonds are as follows:

	City parks		Convention center	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2020	\$ 575	1,030	235	2,144
2021	605	1,002	240	2,136
2022	630	977	9,640	8,030
2023	655	952	8,199	9,474
2024	685	919	8,001	9,672
2025-2029	3,880	4,150	37,274	51,093
2030-2034	4,725	3,303	26,663	61,804
2035-2039	5,890	2,143	36,194	54,803
2040-2043	5,815	607	—	—
	<u>\$ 23,460</u>	<u>15,083</u>	<u>126,446</u>	<u>199,156</u>

	Recreation sales tax		Police capital improvement sales tax	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2020	\$ 1,375	1,627	315	893
2021	1,465	1,559	730	880
2022	1,540	1,485	755	851
2023	1,615	1,408	795	813
2024	1,695	1,328	835	774
2025-2029	9,855	5,276	4,855	3,197
2030-2034	12,250	2,886	6,190	1,856
2035-2037	8,535	545	4,490	342
	<u>\$ 38,330</u>	<u>16,114</u>	<u>18,965</u>	<u>9,606</u>

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	Juvenile detention center		Carnahan courthouse/QEBC	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2020	\$ 630	838	1,595	830
2021	645	819	1,540	768
2022	675	793	1,605	706
2023	700	766	1,680	626
2024	740	731	1,765	542
2025-2029	4,270	3,063	6,510	1,336
2030-2034	5,455	1,883	3,155	257
2035-2038	5,355	501	—	—
	<u>\$ 18,470</u>	<u>9,394</u>	<u>17,850</u>	<u>5,065</u>

	Pension funding project Series 2007		Refuse and municipal garage	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2020	\$ 3,585	7,552	1,100	359
2021	3,820	7,318	1,125	335
2022	4,065	7,070	1,150	308
2023	4,330	6,806	1,200	258
2024	4,610	6,524	1,260	199
2025-2029	27,960	27,718	2,710	205
2030-2034	38,310	17,369	—	—
2035-2038	29,495	3,915	—	—
	<u>\$ 116,175</u>	<u>84,272</u>	<u>8,545</u>	<u>1,664</u>

	Forest park	
	Principal	Interest
Year ending June 30:		
2020	\$ 1,150	143
2021	1,205	86
2022	1,270	25
	<u>\$ 3,625</u>	<u>254</u>

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(c) Principal and Interest Requirements – Direct Debt

Principal and interest requirements for the Leasehold Revenue Improvement and Refunding Bonds that are associated with direct borrowings and direct placements are as follows:

	Justice center		1520 Market Street/NGA	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2020	\$ 1,811	34	819	679
2021	—	—	845	651
2022	—	—	875	625
2023	—	—	900	598
2024	—	—	930	571
2025-2029	—	—	5,190	2,303
2030-2034	—	—	6,400	1,081
2035	—	—	1,379	44
	<u>\$ 1,811</u>	<u>34</u>	<u>17,338</u>	<u>6,552</u>

(d) Assets Pledged as Collateral for Debt

The following debt issues by SLMFC have leased assets pledged as collateral for the respective debt, as follows:

Leasehold Revenue Bond(s)	Leased Asset(s)
1520 Market Street/NGA (direct debt)	1520 Market Street building and improvements thereto
Carnahan Courthouse/QEBC	Carnahan Courthouse building and improvements thereto
City Parks	Part or all of Carondelet Park, Fairground Park, O'Fallon Park and Willmore Park together with the City's interest in any buildings, structures, and improvements situated thereon in the City
Convention Center	Convention Center Property and improvements thereto, not including the Dome
Forest Park Leasehold Revenue Refunding 2015	City's real estate interests in Forest Park <u>except for</u> : Art Museum, Planetarium Property and BJH Property

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Justice Center Series 2017 Refund 2005 (direct debt and public offering)	St. Louis Jail Facilities (City Justice Center and MSI) and improvements thereto
Juvenile Detention Center	City Juvenile Detention Center and improvements thereto
Pension Funding Project Series 2007	All operating fire stations and the fire department headquarters (Series 2007) / City Juvenile Detention Center and improvements thereto (Series 2008)
Police Capital Improvement Sales Tax	Three police command stations (the " Premises Improvements ") and improvements to other buildings owned by the Board (the "Other Improvements," and together with the Premises Improvements, the " Improvements ") and (ii) certain communications equipment (the " Communications Property ")
Recreation Sales Tax	Real and personal property relating to the recreational facilities in a portion of Carondelet Park and O'Fallon Park
Refuse and Municipal Garage	Refuse Facility and improvements thereto; NOT the Municipal Garage

In the event of default of any of the City's debt, there may be an acceleration of maturity or a surrender of possession of trust estate assets for both public offerings and direct debt.

(15) Joint Venture Financing Agreement

In April 1990, the St. Louis Regional Convention and Sports Complex Authority (Authority) was established as a separate legal entity by an act of the Missouri State legislature to acquire, purchase, or lease, and construct, operate, and maintain convention centers, sports stadiums, field houses, indoor and outdoor convention, recreational, and entertainment facilities, and to do all things incidental or necessary to facilitate these purposes.

The Authority entered into a Project Financing Construction and Operation Agreement (Financing Agreement) dated August 1, 1991 with the City, State, and County (collectively, the Sponsors) providing for the application of the proceeds of Project Bonds, for the repayment of the Project Bonds, and for the operation and maintenance of the Project. On August 1 and February 1 of each year, the City is obligated (subject to appropriations) to make rental payments of \$2,500 and preservation payments of \$500 regardless of the principal and interest payments due.

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At June 30, 2019, the City's obligation for the Series C Bonds and net preservation payments (after deposits to the bond fund) payable from the general fund under the Financing Agreement is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Preservation payments</u>	<u>Total</u>
Year ending June 30:				
2020	\$ 4,280	598	1,122	6,000
2021	4,505	367	1,128	6,000
2022	4,740	125	(1,865)	3,000
	<u>\$ 13,525</u>	<u>1,090</u>	<u>385</u>	<u>15,000</u>

(16) Component Unit – Long-Term Liabilities

(a) Component Unit – SLDC Long-Term Liabilities

The following is a summary of changes in long-term liabilities for SLDC for the year ended June 30, 2019:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Within one year</u>
Due to other governmental agencies	\$ 5,668	53	(1,171)	4,550	1,000
Notes payable	48,956	7,386	(10,290)	46,052	18,563
Other liabilities	9,450	8,616	(6,740)	11,326	3,781
	<u>\$ 64,074</u>	<u>16,055</u>	<u>(18,201)</u>	<u>61,928</u>	<u>23,344</u>

Maturities on notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2020	\$ 18,563	1,250	19,813
2021	3,324	1,034	4,358
2022	830	964	1,794
2023	861	933	1,794
2024	894	900	1,794
2025–2036	21,580	8,739	30,319
	<u>\$ 46,052</u>	<u>13,820</u>	<u>59,872</u>

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(17) Revenue Bonds Payable

(a) Airport

Bonds outstanding at June 30, 2019 are summarized as follows:

Bond Series 2005, interest rate of 5.50%, payable in varying amounts through 2032	\$ 167,700
Bond Series 2007A, interest rate of 5.25%, payable in varying amounts through 2027	34,105
Bond Series 2009A, interest rate ranging from 5.375% to 6.625%, payable in varying amounts through 2035	97,155
Bond Series 2012, interest rate ranging from 3.00% to 5.00%, payable in varying amounts through 2033	22,140
Bond Series 2015, interest rate of 5.00%, payable in varying amounts through 2024	17,310
Bond Series 2017A, interest rate of 5.00%, payable in varying amounts through 2033	125,410
Bond Series 2017B, interest rate ranging from 4.00% to 5.00%, payable in varying amounts through 2028	72,350
Bond Series 2017C, interest rate of 5.00%, payable in varying amounts through 2048	31,700
Bond Series 2017D, interest rate of 5.00%, payable in varying amounts through 2038	26,605
Bond Series 2019A, interest rate of 5.00%, payable in varying amounts through 2050	13,235
Bond Series 2019B, interest rate of 5.00%, payable in varying amounts through 2038	8,440
Bond Series 2019C, interest rate of 5.00%, payable in varying amounts through 2035	<u>75,470</u>
	<u>691,620</u>
Less:	
Current maturities	(129,750)
Unamortized discounts and premiums	<u>67,276</u>
	<u>(62,474)</u>
	<u>\$ 629,146</u>

Interest payments on the above issues are due semiannually on January 1 and July 1.

On June 30, 2019, the Airport issued \$75,470 Series 2019C Airport Refunding Bonds maturing in varying amounts from 2026 through 2035 with interest rates of 5%. Proceeds from the bonds plus

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additional Airport cash of \$3,831 were used to refund \$97,155 of Series 2009A Revenue Bonds on July 2, 2019 and paid costs incidental to the issuance of the bonds.

At June 30, 2019, Series 2009A bonds are reflected within current maturities of revenue bonds payable. The Airport also issued \$13,235 Series 2019A and \$8,440 Series 2019B Airport Revenue Bonds maturing in varying amounts from 2021 through 2050 with interest rates of 5% to finance certain airfield, terminal and parking projects.

The Airport completed the advance refunding on July 2, 2019 to reduce its total debt service payments over the next 15 years by \$35,599 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$29,260.

As of June 30, 2019, the Airport's aggregate debt service requirements for the next five years and in five-year increments thereafter are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2020	\$ 129,750	29,397	159,147
2021	32,750	27,375	60,125
2022	34,475	26,371	60,846
2023	36,190	24,604	60,794
2024	30,720	22,932	53,652
2025–2029	196,860	86,645	283,505
2030–2034	162,010	33,900	195,910
2035–2039	27,795	12,800	40,595
2040–2044	19,250	7,955	27,205
2045–2049	20,455	2,608	23,063
2050	1,365	34	1,399
	<u>\$ 691,620</u>	<u>274,621</u>	<u>966,241</u>

(b) Water Division

Water revenue bonds outstanding at June 30, 2019 are payable solely from and secured by, a pledge of net revenues from the operation of the Water Division and are as follows:

Series 2013 Water Revenue Refunding Bonds, 1.56%, drawdown loan, payable in varying amounts through January 1, 2034	\$ 7,633
Less:	
Current maturities	<u>(439)</u>
	<u>\$ 7,194</u>

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Series 2013 Water Revenue Bonds

In November 2013, the Water Division issued \$9,500 (not to exceed) in Water Revenue Bonds (Series 2013 Bonds) through the Missouri Department of National Resources Direct Loan Program. This bond issue is a drawdown loan with a fixed interest rate of 1.56% to fund various projects at the water treatment plants and throughout the distribution system. The final drawdown relating to the program was completed in fiscal year 2017.

Debt service requirements to maturity of the 2013 Series Water Revenue Bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the year ending June 30:			
2020	\$ 439	117	556
2021	448	110	558
2022	458	103	561
2023	467	96	563
2024	477	89	566
2025-2034	<u>5,344</u>	<u>452</u>	<u>5,796</u>
	<u>\$ 7,633</u>	<u>967</u>	<u>8,600</u>

Principal and interest payments are due semiannually on January 1 and July 1.

(c) Parking Division

Revenue bonds outstanding at June 30, 2019 are as follows:

SLPCFC Series 2003A tax-exempt revenue bonds, interest rates variable, not to exceed 12.00%, payable in varying amounts through 2024	\$ 1,345
SLPCFC Series 2003B taxable revenue bonds interest rates variable, not to exceed 5.00%, payable in varying amounts through 2038	5,471
Series 2013A subordinated parking revenue bond interest rates variable, not to exceed 2.30%, payable in varying amounts through 2022	667
Series 2015A subordinated parking revenue bond interest rates variable, not to exceed 3.50%, payable in varying amounts through 2031	5,395
Series 2015B subordinated parking revenue bond interest rates variable, not to exceed 5.00%, payable in varying amounts through 2033	33,770
Series 2016 revenue bond interest ranging from 3.00% to 4.00% payable in varying amounts through 2031	<u>11,040</u>
	57,688

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Less:	\$	
Current portion of revenue bonds payable		(3,547)
Unamortized discount and premium		2,700
	\$	<u>56,841</u>

Debt service requirements of the revenue bonds at June 30, 2019 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2020	\$ 3,547	2,209	5,756
2021	3,663	2,065	5,728
2022	3,807	1,917	5,724
2023	3,966	1,754	5,720
2024	3,599	1,588	5,187
2025–2029	20,807	5,376	26,183
2030–2034	16,604	1,521	18,125
2035–2038	1,695	211	1,906
	<u>\$ 57,688</u>	<u>16,641</u>	<u>74,329</u>

(18) Pledged Revenues

The City has pledged specific revenue streams to secure the repayment of certain outstanding debt issues. The following narratives list those revenues by source along with the general purpose of the debt, the amount of the pledge remaining, the term of the pledge commitment, the amount of pledged revenue collected during the current fiscal year, and the approximate percentage of the revenue stream that has been committed, if estimable:

(a) Governmental Activities

The City has pledged an ad valorem tax levied upon all taxable, tangible property, real and personal (property tax revenue) related to various general obligation revenue bonds. The general purpose of the various general obligation revenue bonds is the purpose of refunding renovation of fire and police buildings and demolition of unsafe or condemned buildings and communications equipment for fire police and EMS and police infrastructure improvements. The bonds are payable, in part, from a tax rate that is set annually based on revenue required to pay debt. The term of commitments related to such pledged revenues vary by issuances and extend to fiscal year 2037. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2019, the total principal and interest remaining to be paid on the debt is \$116,058. Principal and interest paid was \$6,822 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was \$7,083. During fiscal year 2019, the proportion of pledged revenues needed for debt service to revenues collected was 96.32%.

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The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in specified TIF districts to pay debt outstanding. The general purpose of the TIFS is to assist in development of blighted properties. The debt outstanding is payable from the related pledged revenues through year 2038. Annual principal and interest outstanding on the various TIF bonds and notes outstanding is paid based on the amount of revenue captured in each particular district. It has also been pledged to pay debt on the Section 108 Loan for the Convention Center Hotel and the 600 Washington obligation with component unit. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2019, the total principal and interest remaining is \$595,548. Principal and interest paid was \$33,710 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was \$43,503. During fiscal year 2019, the proportion of pledged revenues needed to revenues collected was 77.49%.

A \$45 (in dollars) surcharge on civil cases in the circuit court is imposed by state statute to be used for courthouse restoration. A city ordinance also imposes a \$5 (in dollars) court cost on all municipal ordinance violation cases to be used for courthouse restoration. The funds are used as pledges for the Carnahan Courthouse Leasehold Revenue Refunding Bond Series, with purposes of financing renovations at the Carnahan Courthouse. The term of commitment related to such pledged revenues extend to fiscal year 2027. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2019, the total principal and interest remaining on this financings is \$18,102. Principal and interest paid was \$2,181 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was \$1,244. During fiscal year 2019, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged State per diem prisoner reimbursements for boarding of State prisoners to Justice Center debt issuances. The purpose of the financings was to construct a new Justice Center. The term of commitment related to such pledged revenues extend to fiscal year 2020. Annual principal and interest payments on the bonds are expected to require 100% of estimated related net revenues. As of June 30, 2019, total principal and interest remaining on the debt is \$1,844. Principal and interest paid was \$3,850 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was \$5,357. During fiscal year 2019, the proportion of pledged revenues needed to revenues collected was 71.86%.

The City has pledged a portion of the one half cent capital improvement sales tax to fund the Forest Park Leasehold Revenue Refunding Bonds, whose purpose was to finance improvements to Forest Park. As legally committed by ordinance, 10.4% of the revenue collected from this sales tax is allocated for Forest Park. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated related net revenues. Forest Park Taxable Subordinate Leasehold Revenue Bonds issued pledge the remainder of the tax as well as any revenue generated in the park. As of June 30, 2019, total principal and interest remaining on the debt is \$37,583. Principal and interest paid was \$3,762 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was \$3,745. During fiscal year 2019, the proportion of pledged revenues needed to revenues collected was 100%.

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The City has pledged the one eighth cent parks and recreation sales tax to fund the Recreation Sales Tax Leasehold Revenue Bonds Revenue Bonds whose purpose was the construction of two new recreation centers. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2037. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated related net revenues. As of June 30, 2019, total principal and interest remaining on the debt is \$54,444. Principal and interest paid was \$3,029 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was \$4,910. During fiscal year 2019, the proportion of pledged revenues needed to revenues collected was 61.69%.

The City has pledged a portion of the one half cent capital improvement sales tax to fund the Police Capital Improvements Sales Tax Leasehold Revenue Bonds Series 2007 and 2017, whose purpose was capital improvements to police buildings and certain interoperable communications equipment to be used by the police, fire and EMS. As legally committed by ordinance, 10% of the revenue collected from this sales tax is allocated for police capital improvements. The annual debt payment is appropriated from this source of funds. The term of commitment related to such pledged revenues extend to fiscal year 2037. Annual principal and interest payments on the bonds are expected to require less than 90% of estimated related net revenues. As of June 30, 2019 total principal and interest remaining on the debt is \$28,571. Principal and interest paid was \$1,212 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was \$1,840. During fiscal year 2019, the proportion of pledged revenues needed to revenues collected was 65.87%.

Sales tax revenues dedicated to City Parks have been pledged to pay debt outstanding on the City Parks Leasehold Improvement Dedicated Revenue Bonds. Debt payments will be made from dedicated revenues for parks in the Capital Improvement Sales Tax, Metropolitan Park and Recreation District Capital Improvement Sales Tax, and Arch-Metro Parks Sales Tax. Annual principal and interest payments on the bonds are expected to require less than 75% of estimated related revenues. As of June 30, 2019, total principal and interest remaining on the debt is \$38,544. Principal and interest paid was \$1,608 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was \$3,311. During fiscal year 2019, the proportion of pledged revenues needed to revenue collected was 48.57%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in the Argyle TIF district to pay debt outstanding on a portion of the Parking Revenue Bonds associated with the Argyle parking garage construction. The term of commitment related to such pledged revenues extend to fiscal year 2022. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2019, total principal and interest outstanding on this portion of the debt is \$2,848. The pledged net revenue recognized for the year ended June 30, 2019 related to the collection of PILOTs and EATS was \$3,568. During fiscal year 2019, the proportion of pledged revenues needed to revenues collected was 79.82%.

The City has pledged all payments in lieu of taxes (PILOTs) and fifty per cent of the economic activity taxes (EATS) captured in the Euclid-Buckingham TIF district to pay debt outstanding on a portion of the Parking Revenue Bonds associated with the Euclid-Buckingham parking garage construction. The term

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of commitment related to such pledged revenues extend to fiscal year 2028. Annual principal and interest payments on the bonds are expected to require less than 100% of estimated related net revenues. As of June 30, 2019, total principal and interest outstanding on this portion of the debt is \$4,736. The pledged net revenue recognized for the year ended June 30, 2019 related to the collection of PILOTs and EATs was \$369. During fiscal year 2019, the proportion of pledged revenues needed to revenues collected was 100%.

The City has pledged general fund police parking ticket revenues to the Parking Revenue Bonds Series 2013A, 2015A, 2015B and 2016 in parity with the Parking Division to make up any shortfall of other committed sources. The term of commitment related to such pledged revenues extend to fiscal year 2038. As of June 30, 2019, total principal and interest remaining on the debt is \$32,015. During fiscal year 2019, revenue from the police parking ticket revenues totaled \$376. During fiscal year 2019, none of general fund revenues were used to meet the debt service requirements and the Parking Division has a payable to the City for this payment.

(b) Business-type Activities

Airport

The Airport has pledged future specific revenue streams, net of specified operating expenses, to secure the repayment of \$691,620 in various long-term debt issuances. The general purpose of the various long-term debt issuances is for land acquisition and construction of the capital assets at the Airport. The bonds are payable from Airport net revenues and are payable through July 2050. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated Airport net revenues. As of June 30, 2019, the total principal and interest remaining to be paid on the bonds is \$966,241. Principal and interest paid was \$66,410 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was \$87,968.

Water Division

The Water Division has pledged specific revenue streams to secure the repayment of Series 2013 Bonds. As of June 30, 2019, the remaining principal and interest requirement is \$8,600 payable through January 2034 (fiscal year 2034). Principal and interest paid for the Series 2013 Bonds was \$596. The proportion of pledged revenue to revenue collected is estimated at 1.0% at June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was \$9,349.

Parking Division

The Parking Division has pledged specific net Parking Division project revenues and net Parking Division revenues, net of specified operating expenses, to secure the repayment of the City of St. Louis Parking Revenue Bonds, Series 2013A, 2015A, 2015B and 2016. The general purpose of the bonds is to build parking facilities in the City. As of June 30, 2019 the remaining principal and interest requirement is \$64,031 payable through fiscal year 2038. Principal and interest paid for the Series 2007B, 2013A, 2015A, 2015B and 2016 Parking Revenue Bonds was \$4,983 for the year ended June 30, 2019. The pledged net revenue recognized for the year ended June 30, 2019 was \$10,023.

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(19) Short-Term Debt

The City issued \$66,000 of general fund Tax and Revenue Anticipation notes dated July 10, 2018 and redeemed May 30, 2019. The purpose of the notes is to improve cash flow to allow more prompt vendor payments and encourage additional vendors to bid on City business.

Short-term debt activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Issued	Redeemed	Balance June 30, 2019
Tax and revenue anticipation notes	\$ —	66,000	(66,000)	—
	<u>\$ —</u>	<u>66,000</u>	<u>(66,000)</u>	<u>—</u>

(20) Operating Leases

(a) City

At June 30, 2019, the City was committed under miscellaneous operating leases for office space and equipment. Future minimum base rental payments under terms of the operating leases are as follows:

Year ending June 30:	
2020	\$ 1,322
2021	839
2022	682
2023	511
2024	463
2025–2029	<u>1,957</u>
	<u>\$ 5,774</u>

Rental and lease expenditures for the fiscal year 2019 totaled \$4,550.

(b) Airport – Use Agreements and Leases with Signatory Air Carriers

Effective July 1, 2016, the Airport entered into long-term use and lease agreements with signatory air carriers that will expire on June 30, 2021. Under the terms of the use and lease agreements, the air carriers have agreed to pay airfield landing fees; terminal and concourse rentals; hangar, cargo, and maintenance facility rentals; and certain miscellaneous charges in consideration for use of the Airport. The use and lease agreements also require the Airport to make certain capital improvements and to provide maintenance of certain Airport facilities. Payments by the air carriers are determined as follows:

- Landing fees are calculated based on estimated operating and maintenance expenses of the airfield, and allocated to the air carriers on the basis of landing weights. Landing fee revenues are

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adjusted each year by retroactive rate adjustment that is calculated as the difference between estimated and actual costs incurred and estimated and actual landing weights.

- Rentals are calculated based on estimated operating and maintenance expenses of the terminal and concourse areas and hangars, cargo, and maintenance facilities, and allocated to the air carriers on the basis of square footage utilized. Rental revenue is adjusted each year by retroactive rate adjustment that is calculated as the difference between estimated and actual costs incurred.
- Miscellaneous income is derived from the air carriers for their use of sanitary disposal facilities and airline service buildings.

During fiscal year 2019, revenues from signatory air carriers accounted for 44.8% of total Airport operating revenues.

Minimum future rentals for each year in the next five years and in the aggregate are not determinable given the method of calculation.

The following is a summary of aviation revenue by category and source from signatory and nonsignatory air carriers for the year ended June 30, 2019:

	<u>Signatory</u>	<u>Non-signatory</u>	<u>Total</u>
Airfield	\$ 44,474	13,752	58,226
Terminal and concourses	17,638	2,248	19,886
Hangars and other buildings	540	652	1,192
Cargo buildings	302	317	619
	<u>\$ 62,954</u>	<u>16,969</u>	<u>79,923</u>

No assurance can be given as to the levels of aviation activity that will be achieved at the Airport in future fiscal years. Future traffic at the Airport is sensitive to a variety of factors including: (1) the growth in the population and the economy of the area served by the Airport (2) national and international political and economic conditions, including the effects of any past or future terrorist attacks; (3) air carrier economics and air fares; (4) the availability and price of aviation fuel; (5) air carrier service and route networks; (6) the capacity of the air traffic control system; and (7) the capacity of the Airport/airways system.

The level of aviation activity at the Airport can have a material impact on the amount of total revenues generated at the Airport. However, Airport management believes the risk of significant variance in Airport revenues is mitigated by the Airport Use Agreements, concession agreements, and other leases, which contain minimum annual revenue guarantees. Effective July 1, 2016, the Airport entered into a new long-term Airport Use and Lease Agreement (AUA) with signatory air carriers which will expire June 30, 2021. Contemporaneously, the Airport also adopted a new companion Airline Operating Agreement and Terminal Building Space Permit (AOA), which the Airport will make available

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to airlines that elect not to enter into an AUA. The new agreements retain most of the provisions of the prior master agreements which expired June 30, 2016.

The Airport leases facilities and land with varying renewal privileges to various nonsignatory air carriers, concessionaires, and others. These leases, for periods ranging from 1 to 50 years, require the payment of minimum annual rentals. The following is a schedule by year of minimum future rentals on noncancelable operating leases, other than leases with signatory airlines, pursuant to long-term use agreements:

Year ending June 30:		
2020	\$	28,316
2021		22,955
2022		15,567
2023		13,530
2024		10,170
2025–2029		23,531
2030–2034		13,628
2035–2039		5,412
Thereafter		<u>4,594</u>
Total minimum future rentals	\$	<u><u>137,703</u></u>

The above amounts do not include contingent rentals that may be received under certain leases. Such contingent rentals amounted to \$49,054 for the year ended June 30, 2019.

Unearned lease revenues included in Airport other long-term liabilities in the amount of \$4,067 as of June 30, 2019 represent the upfront lease revenues received by the Airport for the lease of certain land.

The Airport leases computer and other equipment under noncancelable arrangements. Expenses for operating lease agreements were \$56 for the year ended June 30, 2019. Future minimum payments are as follows:

Year ending June 30:		
2020	\$	59
2021		47
2022		22
2023		<u>8</u>
Total minimum future payments	\$	<u><u>136</u></u>

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(c) Component Unit – SLDC

During the year ended June 30, 2011, SLDC signed a sub-lease agreement with the City that commenced March 1, 2012 until June 30, 2031 with rental payments of \$620 per year for the first 10 years and variable amounts for the remaining 10 years. SLDC also has sublease agreements with Community Development Agency (CDA), Affordable Housing Commission (AHC), and Planning and Urban Design Development Agency (PDA) and in effect through June 30, 2031.

Future minimum base rents under the terms of the lease agreements net of sublease rents anticipated from CDA, AHC and PDA as of June 30, 2019 are as follows:

Year ending June 30:		
2020	\$	336
2021		<u>335</u>
	\$	<u><u>671</u></u>

Additionally, at June 30, 2019, SLDC was committed through a 25-year operating lease with the City, which requires annual rental payments of \$1 (in dollars) for property at the City terminal site. Under the lease agreement, SLDC shall make improvements to the leased premises and award subleases for all or a portion of the leased premises. Sublease revenue is retained by SLDC for use at the terminal site.

(21) Interfund Balances

Individual fund interfund receivable and payable balances as of June 30, 2019 are as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Special revenue—Grants fund	\$ 1,867
	Other governmental nonmajor funds	4
	Internal service fund	83
	Enterprise:	
	Airport	2,008
	Water Division	1,103
	Parking Division	<u>1,540</u>
		<u>6,605</u>
Redevelopment projects funds	General fund	4,678
	Capital projects fund	553
	Other governmental nonmajor funds	<u>1,765</u>
		<u>6,996</u>
Other governmental nonmajor funds	General fund	<u>37</u>

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<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Internal service funds	General fund	\$ 558
	Other governmental nonmajor funds	2
	Enterprise:	
	Airport	2,585
	Water Division	3,253
	Parking Division	159
		<u>6,557</u>
		<u>\$ 20,195</u>

All of these interfund balances are due to either timing differences or due to the elimination of negative cash balances within the various funds. All interfund balances are expected to be repaid during the fiscal year ending June 30, 2020.

Advances to/from other funds as of June 30, 2019 are as follows:

<u>Advance from</u>	<u>Advance to</u>	<u>Amount</u>
General fund	Internal service fund	\$ <u>33,614</u>

(22) Interfund Transfers

Interfund transfers for the year ended June 30, 2019 consisted of the following:

		Transfer to				
		Other				
		General	Capital	govern-	Parking	
		fund	projects	mental	division	
			fund	funds		Total
Transfer From	General fund	\$ —	6,343	2,605	—	8,948
	Redevelopment projects fund	2,504	300	1,091	935	4,830
	Capital Projects fund	2,902	—	—	—	2,902
	Other Governmental funds	24,092	10,190	577	—	34,859
	Airport	6,795	—	—	—	6,795
	Water Division	3,230	—	—	—	3,230
	Parking Division	12,800	—	377	—	13,177
		\$ 52,323	16,833	4,650	935	74,741

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Interfund transfers were used to: (1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance capital improvements and other funds in accordance with budgetary authorization, or (3) move revenues in excess of current year expenditures to other funds. Additionally, gross receipt payments from the Airport and the Water Division are handled as transfers from each respective enterprise fund to the general fund.

(23) Commitments and Contingencies

(a) Grants

In connection with various federal, state, and local grant programs, the City is obligated to administer related programs and spend the grant moneys in accordance with regulatory restrictions and is subject to audit by the grantor agencies. In cases of noncompliance, the agencies involved may require the City to refund program moneys. Through June 30, 2019, claims have been made on the City to make refunds under certain programs and other programs are still open as to compliance determination by the respective agencies. In the opinion of City officials, settlement of these matters will not result in a material liability to the City.

SLPD was exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. A number of legal suits originally against SLPD are presently pending for alleged wrongful personal injuries, civil rights violations, and negligence in the line of duty.

During fiscal year 2005, the Court of Appeals for the State of Missouri affirmed that under Missouri State Statutes, Chapter 84, the SLPD was an agency of the state. As an agency of the state, the SLPD was covered by the State of Missouri's legal expense fund for most general liability and various other claims and legal actions occurring prior to August 28, 2005. On August 28, 2005, Missouri legislation became effective modifying the coverage provided to the SLPD by the State of Missouri for general liability and various other claims and legal actions. State of Missouri Bill No. 420 provides that the State of Missouri was liable annually for funding general liability claims on an equal share basis per claim with the Public Facilities Protection Corporation (PFPC), an internal service fund of the City, up to a maximum of \$1,000. The SLPD was covered by PFPC for most self-insured risks, including general liability and various other claims and legal actions, exceeding the limitations set forth by the enacted legislation. Of these suits, \$450 is included as the total estimate of reasonably possible claims of \$36,754.

(b) Commitments

At June 30, 2019, the City had outstanding commitments amounting to approximately \$15,904, resulting primarily from service agreements.

Additionally, at June 30, 2019, the Airport had outstanding commitments amounting to approximately \$34,876 resulting primarily from contracts for construction projects. In addition, the Airport has \$41,130 in outstanding commitments resulting from service agreements.

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(c) Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end are not accounted for as expenditures and liabilities. As of June 30, 2019, encumbrances of \$7,501 were reported in the general fund, \$38,566 in the capital projects services fund and \$12,830 in the other governmental funds.

(d) American Airlines and Southwest Airlines

American Airlines, Inc. (American) and Southwest Airlines (Southwest) represent the major air carriers providing air passenger service at the Airport.

American provided 7.6% of the Airport's total operating revenues and 17.0% of total revenues from signatory air carriers for the fiscal year ended June 30, 2019. Accounts receivable at June 30, 2019, contained \$877 relating to unused credits issued by the Airport to American. This amount includes \$1,026 of unbilled aviation revenue credits at June 30, 2019.

Southwest provided 25.9% of the Airport's total operating revenues and 57.9% of total revenues from participating air carriers for the fiscal year ended June 30, 2019. Accounts receivable at June 30, 2019 contained \$1,675 relating to unused credits issued by the Airport to Southwest. This amount includes \$2,213 of unbilled aviation revenue credits at June 30, 2019.

(e) Asbestos Removal

The Water Division has identified certain of its structures as having asbestos in place. As part of its continuing process of upgrading facilities, the costs for removal of the asbestos material and restoration or replacement of the affected areas are being included in budgets for capital projects. No mandatory time requirement is in effect. The removal plan would be accelerated by changes in plans for remodeling, if any.

(f) Component Unit – SLDC

SLDC has entered into various cooperative agreements with the CDA as a subrecipient/administrator of the Community Development Block Grant Programs. The purpose of these grants and contracts is to provide support for economic development in the City. Revenues from these contracts amounted to \$2,176 during the year ended June 30, 2019.

SLDC has received ten allocation awards of New Market Tax Credit (NMTC) investment authority pursuant to Section 45D of the Internal Revenue Code: a Round 2, \$52,000 allocation received in 2005, a Round 6, \$45,000 allocation in October 2008, a Round 7, \$65,000 allocation received in October 2009, a Round 8, \$21,000 allocation in February 2011, a Round 9, \$50,000 allocation received in February 2012, a Round 10, \$30,000 allocation received in April 2013 and a Round 12, \$45,000 allocation received in June 2015, a Round 13, \$75,000 allocation awarded in 2016, a Round 14, \$35,000 allocation awarded in 2017 and \$35,000 in Round 15 from the Department of the Treasury's Community Development Financial Institutions Fund (CDFI). The NMTC program allows individuals and corporate taxpayers to receive a credit against federal income taxes in exchange for making a qualified entity investment in a qualified active low-income community business (QALICB). In order to qualify for the credits, various federal requirements must be complied with.

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SLDC was required to create Community Development Entities (CDE) so as to demonstrate its mission of serving low-income residents and its accountability to the low income community. The NMTC program requires the credits to be transferred to the QALICB's by for-profit partnerships or corporations for federal tax purposes. To comply with this provision, SLDC created 80 subsidiary CDEs – St. Louis New Markets Tax Credit Fund, LLC I through XL and 41–80 with the intent that each project to be allocated would be assigned its own CDE. All of SLDC's first eight allocations have been fully deployed into 68 projects. The Round 14 allocation still has \$18,000 available; however, two transactions are currently in underwriting and expected to close by the end of 2019 which will reduce the available allocation from that round to \$8,000. The Round 15 allocation of \$35,000 has not had any activity.

SLDC receives financial assistance from several federal, state, and local government agencies in the form of grants and contracts. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the contract and grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become an SLDC liability. However, in the opinion of their management, any such disallowed claims will not have a material effect on the basic financial statements of SLDC at June 30, 2019.

(24) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-insured with respect to its obligation to provide workers' compensation, general liability and unemployment benefits. The City has sovereign immunity from liability and suit for compensatory damages for negligent acts or omissions, except in the case of injuries arising out of the operation of City motor vehicles or caused by the condition of City property. The maximum liability on such claims is increased or decreased on an annual basis effective January first of each year by the director of the Missouri Department of Insurance based on data published by the Bureau of Economic Analysis of the United States Department of Commerce. For 2019, these limits are \$430 per person and \$2,865 per occurrence. Various legal actions involving the City, including claims of negligence, employment discrimination and civil rights violations, are presently pending. In addition to compensatory damages, punitive damages and attorneys' fees are recoverable for the latter two types of claims. Additionally, a number of these same types of claims and lawsuits against SLPD are presently pending. The City's policy is to record these claims in its government-wide financial statements when it is probable that a liability has been incurred and the amount can be reasonably estimated.

For workers' compensation and general liability, the estimated liability for payment of incurred (both reported and unreported) but unpaid claims and claim adjustment expenditures of \$46,199 at June 30, 2019, relating to these matters is recorded in the self-insurance internal service fund – PFPC. Of total workers' compensation liability, \$4,018 has been accrued for benefits to be paid for long-term medical care for officers seriously injured in the line of duty. Benefit payments for these cases amounted to approximately \$430 for the year ended June 30, 2019. The City obtains periodic funding valuations from a claims-servicing company managing the appropriate level of estimated claims liability. Enterprise funds reimburse PFPC on a cost-reimbursement basis.

The City is self-insured for the prescription drug coverage provided to employees and retirees. The estimated liability for payment of incurred but unpaid claims and claim adjustment expenditures of \$1,240 at June 30, 2019 relating to such matters is recorded in the self-insurance internal service fund – health.

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Additionally, as of June 30, 2019, the following claims were recorded/accrued within the noted funds because the claims are not accounted for within the PFPC internal service fund; General fund in the amount of \$200.

The City maintains a blanket surety bond covering all City employees through PFPC. In addition, the City purchases commercial insurance for property damage for large City buildings and some contents. Damage and liability coverage is applicable to the Airport. There were no significant changes in coverage for the year ended June 30, 2019 and, for the years ended June 30, 2019 and 2018 settlements did not exceed coverage.

Changes in the self-insurance claims liability for the years ended June 30, 2019 and 2018 are as follows:

	Beginning balance	Current year claims and changes in estimates	Claim payments	Ending balance
2019	\$ 52,924	34,303	(39,788)	47,439
2018	60,638	34,146	(41,860)	52,924

Additionally, there is an estimate of general liability claims outstanding of \$36,754 which the City Counselor's office has determined there is a reasonable possibility that a loss contingency may be incurred but no accrual has been made within the government-wide financial statements or fund financial statements because the loss is not both probable and estimable.

(25) Grant Loan Programs

The City's general fund and grants fund include the activities of the CDA that, among other activities, makes loans to developers under the Housing Implementation Program. This program, which is administered for the City by certain financial institutions, provides funds to rehabilitate housing units for low- and moderate-income families. These loans typically are noninterest bearing, due in 25 years, and secured by a second deed of trust. CDA also made loans under the Urban Development Action Grant (UDAG) program to assist organizations with development projects within the City. These loans typically have a lower-than-market interest rate and payback periods ranging from 10 to 40 years after completion of the projects.

Any funds received from the repayments of these loans are to be spent by the City in accordance with Community Development Block Grant program regulations. Since repayment of the loans is dependent on the success of projects that involve considerable risk, collectability is not assured, and accordingly, the City reflects these loans as an expenditure of the grants fund in the year the loans are made. Any loan repayments are reflected as intergovernmental revenue (or deferred revenue if moneys have not been spent) in the year of receipt.

(26) Component Unit – SLDC Conduit Debt

SLDC facilitates the issuance of tax-exempt bonds for various private enterprises and government agencies. After the bonds are sold, the proceeds are typically used to purchase real estate or fund capital improvements for the respective entity. Since the entity is responsible for the repayment of the bonds, no liability is established on the SLDC's books. Therefore, transactions related to the leases and the related bond liability are not presented in SLDC's financial statements.

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

(27) Fund Balance

The following table displays the breakdown of fund balance by purpose in accordance with GASB Statement No. 54:

	General fund	Redevelopment projects fund	Capital projects fund	Grant funds	Other governmental fund	Total
Nonspendable:						
Health and welfare	\$ —	—	—	—	10	10
Parks and recreation	—	—	—	—	1	1
Public safety	1,991	—	—	—	—	1,991
Other	3,794	—	—	—	—	3,794
Total	5,785	—	—	—	11	5,796
Restricted:						
Redevelopment	—	17,377	—	—	—	17,377
Streets and bridges	—	—	1,487	—	44	1,531
Public safety	—	—	—	890	2,985	3,875
Parks and recreation	—	—	8,424	—	4,875	13,299
Convention and tourism	—	—	3,098	—	—	3,098
Transportation	—	—	—	—	25,583	25,583
Debt service	15,586	16,626	5,095	—	14,991	52,298
Capital improvement	—	—	55,465	—	—	55,465
Other	—	—	1,826	—	11,112	12,938
Total	15,586	34,003	75,395	890	59,590	185,464
Committed:						
Health and welfare	—	—	—	—	16,359	16,359
Streets and bridges	—	—	7,463	—	4,622	12,085
Public safety	—	—	—	—	25,163	25,163
Parks and recreation	—	—	11,292	—	2,766	14,058
Convention and tourism	—	—	—	—	4,021	4,021
Fund balance reserve	25,961	—	—	—	—	25,961
Payroll Reserve	2,066	—	—	—	—	2,066
Capital improvement	—	—	22,676	—	6,113	28,789
Total	28,027	—	41,431	—	59,044	128,502
Assigned:						
Redevelopment	—	3,740	—	—	—	3,740
Health and welfare	—	—	—	—	53	53
Streets and bridges	—	—	—	—	3	3
Public safety	—	—	—	—	1,130	1,130
Parks and recreation	—	—	—	—	126	126
Other	—	—	—	—	6,198	6,198
Total	—	3,740	—	—	7,510	11,250
Unassigned	35,327	—	(17,940)	—	—	17,387
Total	\$ 84,725	37,743	98,886	890	126,155	348,399

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

(28) Tax Abatements

The City implemented GASB 77, Tax Abatement Disclosures, for the year ended June 30, 2019. The following table represents the abated revenues at June 30, 2019:

Name of Program	Industrial Revenue Bond Transactions - Personal Property**	Industrial Revenue Bond Transactions - Earnings Tax Incentive Credits
Purpose of program	Personal property tax abatement or exemption from sales and use tax of qualified purchases of construction materials and/or personal property to provide economic development benefits to the municipality.	Use of earnings tax revenues to remediate existing underdeveloped and obsolete conditions in the project area, improve property values, create jobs and additional revenues to the municipality.
Abated tax	Personal Property Tax, Merchants & Manufacturing Tax, and Sales & Use Tax	Earnings Tax
Authorizing Statute/Ordinance	Statutory authority varies depending upon issuer of bonds; City of St. Louis, LCRA, City of St. Louis Port Authority or PIEA each have statutory authority.	Sections 70.210 to 70.320 RSMo. and the Charter of the City of St. Louis
Eligibility requirement	Varies depending upon issuer of bonds (City of St. Louis, LCRA, City of St. Louis Port Authority, or PIEA).	Determination by governing body that area requires assistance. Municipality must adopt an ordinance approving the Cooperation Agreement.
How tax is reduced	Applicable property is owned by the City, LCRA, Port Authority or PIEA and therefore exempt from taxation. Applicable property is then leased to the private user.	City agrees, subject to annual appropriation, to reimburse redeveloper for eligible project costs up to a defined limit using a portion of earnings tax revenues.
Determination of abated amount	Applicable property is exempt from taxation by operation of statute. Contractual PILOTs are imposed to reduce the effective tax abatement to the agreed-upon amount.	By ordinance and cooperation agreement with redeveloper.
Recapture provisions	By agreement, if any	By agreement, if any
Other types of commitments by City	None	None
Gross dollar of reduced tax revenues - Total*	\$ 1,228	\$ 2,111
Gross dollar of reduced tax revenues - City's portion*	\$ 51	\$ 2,111

* Dollar amounts per calendar year

** Industrial Revenue Bonds - No sales and use tax data were available during this period.

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

Name of Program	Chapter 353 – Residential	Chapter 353 – Residential PILOT	Chapter 99 – Residential
Purpose of Program	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds.
Abated tax	Real Property Tax	Real Property Tax	Real Property Tax
Authorizing Statute/Ordinance	Sections 353.010 – 353.190 RSMo	Sections 353.010 – 353.190 RSMo	Sections 99.700 to 99.715 RSMo or Sections 353.010 – 353.190 RSMo; City Ordinance 45977 approved 2/18/52
Eligibility requirement	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.	Establishment of Land Clearance for Redevelopment Authority (LCRA) under Sections 99.300 to 99.715 RSMo. Determination by governing body that area is blighted. LCRA adopts redevelopment plan. Municipality must hold public hearing and adopt ordinance approving redevelopment plan. LCRA may enter redevelopment agreement with redeveloper. Effectuated through either title transfer or affidavit, depending upon statutory authority.
How tax is reduced	Land assessments are based on the year prior to property transfer to Urban Redevelopment Corp. for the first ten years; actual value for the remainder of the abatement term.	Chapter 353 payments in lieu of taxes (PILOTs) established by city ordinance on improvements for up to 25 years.	Assessments on improvements are set at predevelopment levels for up to 10 years. Land assessments are not impacted. PILOTs may be required by ordinance or agreement.
Determination of abated amount	Land assessments determined by statute for the duration of the incentive, which can be up to 25 years as determined by ordinance.	By statute, ordinance and redevelopment agreement (if any).	By statute, ordinance and redevelopment agreement with LCRA (if any).
Recapture provisions	By agreement, if any	By agreement, if any	By agreement, if any
Other types of commitments by City	None	None	None
Gross dollar of reduced tax revenues – Total*	\$ 3,850	\$ 1,875	\$ 5,601
Gross dollar of reduced tax revenues – City's portion*	\$ 743	\$ 362	\$ 1,081

* Dollar amounts per calendar year

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

Name of Program	Chapter 99 – Commercial	Chapter 99 – Commercial PILOT	Chapter 353 – Commercial
Purpose of program	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds	Tax abatement incentive to improve blighted property.
Abated tax	Real Property Tax	Real Property Tax	Real Property Tax
Authorizing Statute/Ordinance	Sections 99.700 to 99.715 RSMo or Sections 353.010 – 353.190 RSMo; City Ordinance 45977 approved 2/18/52	Sections 99.700 to 99.715 RSMo or Sections 353.010 – 353.190 RSMo; City Ordinance 45977 approved 2/18/52	Sections 353.010 – 353.190 RSMo
Eligibility requirement	Establishment of Land Clearance for Redevelopment Authority (LCRA) under Sections 99.300 to 99.715 RSMo. Determination by governing body that area is blighted. LCRA adopts redevelopment plan. Municipality must hold public hearing and adopt ordinance approving redevelopment plan. LCRA may enter redevelopment agreement with redeveloper. Effectuated through either title transfer or affidavit, depending upon statutory authority.	Establishment of Land Clearance for Redevelopment Authority (LCRA) under Sections 99.300 to 99.715 RSMo. Determination by governing body that area is blighted. LCRA adopts redevelopment plan. Municipality must hold public hearing and adopt ordinance approving redevelopment plan. LCRA may enter redevelopment agreement with redeveloper. Effectuated through either title transfer or affidavit, depending upon statutory authority.	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.
How tax is reduced	Assessments on improvements are set at predevelopment levels for up to 10 years. Land assessments are not impacted. PILOTs may be required by ordinance or agreement	Assessments on improvements are set at predevelopment levels for up to 10 years. Land assessments are not impacted. PILOTs may be required by ordinance or agreement.	Land assessments are based on the year prior to property transfer to Urban Redevelopment Corp. for the first ten years; actual value for the remainder of the abatement term.
Determination of abated amount	By statute, ordinance and redevelopment agreement with LCRA (if any).	By statute, ordinance and redevelopment agreement with LCRA (if any).	Land assessments determined by statute for the duration of the incentive, which can be up to 25 years as determined by ordinance.
Recapture provisions	By agreement, if any	By agreement, if any	By agreement, if any
Other types of commitments by City	None	None	None
Gross dollar of reduced tax revenues – Total*	\$ 8,963	\$ 5	\$ 6,104
Gross dollar of reduced tax revenues – City's portion*	\$ 1,578	\$ 1	\$ 1,075

* Dollar amounts per calendar year

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

Name of Program	Chapter 353 Commercial PILOT	Chapter 100 - Planned Industrial Expansion Authority	Enhanced Enterprise Zone Tax Incentives
Purpose of program	Tax abatement incentive to improve blighted property.	Tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds.	Provide tax credits and/or real estate tax abatement to new or expanding businesses in Enhanced Enterprise Zone.
Abated tax	Real Property Tax	Real Property Tax	Real Property Tax
Authorizing Statute/Ordinance	Sections 353.010 – 353.190 RSMo	Sections 353.010 – 353.190 RSMo; City Ordinance 54788 approved 12/11/1967	Sections 135.950 to 135.973, RSMo; City Ordinance 67350 approved 12/11/06
Eligibility requirement	Determination by governing body that area is blighted. Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve Development Agreement. Property must be transferred to an Urban Redevelopment Corp. for a moment in time.	Establishment of Planned Industrial Expansion Authority (PIEA) under Sections 100.300 to 100.620 RSMo. Determination by governing body that area is blighted. PIEA adopts development plan. Municipality must hold public hearing and adopt ordinance approving development plan. PIEA may enter development agreement with developer. Effectuated through either title transfer.	Establishment of Enhanced Enterprise Zone Board (EEZB) by governing body. EEZB recommends project to governing body. Governing body adopts resolution authorizing project/abatement. EEZB enters redevelopment agreement with redeveloper.
How tax is reduced	Chapter 353 payments in lieu of taxes (PILOTS) established by city ordinance on improvements for up to 25 years	Assessments are abated through the procedures set forth in Chapter 353 RSMo.	City authorizing resolution specifies the percent of the exemption to be granted, the duration of the exemption to be granted, and the political subdivisions to which such exemption is to apply and any other terms, conditions or stipulations otherwise required.
Determination of abated amount	By statute, ordinance, and redevelopment agreement (if any).	By statute, ordinance, and redevelopment agreement with PIEA (if any).	By statute, resolution and redevelopment agreement with EEZB.
Recapture provisions	By agreement, if any	By agreement, if any	By agreement, if any
Other types of commitments by City	None	None	None
Gross dollar of reduced tax revenues – Total*	\$ 2,683	\$ 69	\$ 2,682
Gross dollar of reduced tax revenues – City's portion*	\$ 472	\$ 12	\$ 472

* Dollar amounts per calendar year

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

Name of Program	Enhanced Enterprise Zone Tax Incentives PILOT	Industrial Revenue Bond Transactions – Real Property	Tax Increment Financing (TIF) - Payments in Lieu of Taxes (PILOTS)
Purpose of program	Provide tax credits and/or real estate tax abatement to new or expanding businesses in Enhanced Enterprise Zone.	Real property tax abatement to provide economic development benefits to the municipality	PILOTS incentive to improve blighted areas, conservation areas, or to increase and/or preserve economic development
Abated tax	Real Property Tax	Real Property Tax	Real Property Tax
Authorizing Statute/Ordinance	Sections 135.950 to 135.973, RSMo; City ordinance 67350 approved 12/11/06	Statutory authority varies depending upon issuer of bonds; City of St. Louis, LCRA, City of St. Louis Port Authority or PIEA each have statutory authority.	Missouri's TIF Act (RSMo 99.800-99.865). Development area approved by ordinance.
Eligibility requirement	Establishment of Enhanced Enterprise Zone Board (EEZB) by governing body. EEZB recommends project to governing body. Governing body adopts resolution authorizing project/abatement. EEZB enters redevelopment agreement with redeveloper.	Varies depending upon issuer of bonds (City of St. Louis, LCRA, City of St. Louis Port Authority, or PIEA).	Determined by SLDC and the TIF Commission.
How tax is reduced	City authorizing resolution specifies the percent of the exemption to be granted, the duration of the exemption to be granted, and the political subdivisions to which such exemption is to apply and any other terms, conditions or stipulations otherwise required.	Applicable property is owned by the City, LCRA, Port Authority or PIEA and therefore exempt from taxation. Applicable property is then leased to the private user.	Determined by the Collector of Revenue based on parcels tagged by Assessor's Office as TIFs.
Determination of abated amount	By statute, resolution and redevelopment agreement with EEZB.	Applicable property is exempt from taxation by operation of statute. Contractual PILOTS are imposed to reduce the effective tax abatement to the agreed-upon amount.	Determined by SLDC and approved by TIF Commission.
Recapture provisions	By agreement, if any	By agreement, if any	By redevelopment agreement
Other types of commitments by City	None	None	Percentage of taxes collected on Special Business District tax of various parcels in TIF district.
Gross dollar of reduced tax revenues – Total*	\$ 195	\$ 507	\$ 23,577
Gross dollar of reduced tax revenues – City's portion*	\$ 34	\$ 98	\$ 4,644

* Dollar amounts per calendar year

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

Name of Program	Tax Increment Financing (TIF) - Economic Activity Tax (EATS)
Purpose of program	EATS incentive which includes payroll taxes, sales taxes and gross receipts to improve blighted areas, conservation areas, or to increase and/or preserve economic development.
Abated tax	EATS
Authorizing Statute/Ordinance	Missouri's TIF Act (RSMo 99.800-99.865). Development area approved by ordinance.
Eligibility requirement	Determined by SLDC and the TIF Commission.
How tax is reduced	Determined by TIF Analyst of 50% of EATS, based on the reports received by State, Collector of Revenue, License Collector and various utility companies.
Determination of abated amount	Determined by SLDC and approved by TIF Commission.
Recapture provisions	By redevelopment agreement
Other types of commitments by City	Percentage of taxes collected on EATS of bottom half, CID and TDD on various TIF projects.
Gross dollar of reduced tax revenues – Total*	\$ 12,900
Gross dollar of reduced tax revenues – City's portion*	\$ 12,900

* Dollar amounts per calendar year

CITY OF ST. LOUIS, MISSOURI
Notes to Basic Financial Statements
June 30, 2019
(Dollars in thousands)

(29) Subsequent Events

(a) *Tax and Revenue Anticipation Notes*

The City issues tax and revenue anticipation notes in advance of property tax collections, depositing the proceeds in its general fund. On July 2, 2019, the City issued \$45,000 in Tax and Revenue Anticipation Notes payable from the general fund. The notes mature on June 1, 2020 and bear interest at a rate of 2.50% per year.

(b) *Property Taxes*

The City tax rate levied in November 2019 was \$1.5797 per \$100 (in dollars) of assessed valuation of which \$1.4388 (in dollars) is for the general fund and \$0.1409 (in dollars) is for the debt service fund.

(c) *Cure Violence*

On October 11, 2019, the Board of Aldermen approved Ordinance 71026, a supplemental appropriation to the fiscal year 2020 budget for \$5,000 to provide funding for the violence prevention alternative program Cure Violence for three years.

(d) *General Obligation Bonds*

On December 17, 2019, the City issued \$3,590 tax-exempt general obligation debt with a private placement with Regions Bank with interest rate of 2.24% for various capital improvements.

(e) *St. Louis Lambert International Airport Undertaking Privatization Consideration Process*

The City is undertaking the process of considering privatizing the Airport. To date, a request for qualification (RFQ) has been issued to seek qualified bidders who possess both the financial and operational background. Eighteen bidders responded to the RFQ which are currently under review. If there are sufficient qualified bidders, the City may decide to issue a request for proposal later this year or early 2020. The process is expected to take another year if the City decides to ultimately seek approval to enter into an agreement with a private operator.

CITY OF ST. LOUIS, MISSOURI

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – General Fund (Unaudited)
Required Supplementary Information

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues				
Taxes:				
Gross receipts	\$ 6,176	6,176	6,746	570
City earnings	179,120	179,120	184,406	5,286
Franchise	51,368	51,368	51,764	396
Sales	53,880	53,880	54,468	588
Property	62,321	62,321	62,106	(215)
Payroll	39,040	39,040	39,593	553
Motor vehicle	3,437	3,437	3,263	(174)
Other	950	950	881	(69)
Total taxes	396,292	396,292	403,227	6,935
Licenses and permits:				
Graduated business	6,607	6,607	6,240	(367)
Cigarette	1,698	1,698	1,339	(359)
Building division	8,643	8,643	7,940	(703)
Communication transmission	1,950	1,950	2,095	145
Liquor	580	580	575	(5)
Other	731	731	704	(27)
Motor vehicle	1,423	1,423	1,463	40
Total licenses and permits	21,632	21,632	20,356	(1,276)
Intergovernmental:				
Motor fuel tax allocation	8,600	8,600	8,602	2
Juvenile detention center	1,975	1,975	2,016	41
Public safety	5,980	5,980	10,881	4,901
Other intergovernmental	362	362	400	38
Total intergovernmental	16,917	16,917	21,899	4,982
Charges for services:				
Parks and recreation	311	311	248	(63)
Streets	20,321	20,321	20,312	(9)
Public safety	8,896	8,896	9,695	799
Health	648	648	627	(21)
Fee offices	4,007	4,007	3,778	(229)
Services provided to other funds	5,415	5,415	5,204	(211)
Total charges for services	39,598	39,598	39,864	266
Court fines and forfeitures	2,159	2,159	2,583	424
Interest	2	2	2	—
Miscellaneous	2,993	2,993	3,121	128
Total revenues	479,593	479,593	491,052	11,459
Expenditures	507,266	507,316	489,674	17,642
Excess (deficiency) of revenues over expenditures	(27,673)	(27,723)	1,378	29,101
Other financing sources (uses):				
Transfers in	37,959	37,959	38,567	608
Transfers out	(9,254)	(9,204)	(9,193)	11
Total other financing sources (uses), net	28,705	28,755	29,374	619
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 1,032	1,032	30,752	29,720

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule of Expenditures –
 Budget and Actual – General Fund (Unaudited)
 Required Supplementary Information

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Personal services	Actual Other expenditures	Total expenditures	Variance with final budget positive (negative)
General government:						
110 Board of Alderman	\$ 3,228	3,178	2,812	161	2,973	205
120 Mayor's Office	2,026	1,976	1,781	167	1,948	28
123 Department of Personnel	3,673	3,673	2,932	209	3,141	532
124 Registrar	186	186	177	6	183	3
126 Civil Rights Enforcement Agency	341	341	339	4	343	(2)
127 Information Technology Service Agency	5,952	7,782	3,495	2,161	5,656	2,126
137 Division of the Budget	463	463	440	4	444	19
139 City Counselor	9,638	11,063	4,355	6,562	10,917	146
141 Planning and Urban Design	603	603	432	108	540	63
160 Comptroller	6,233	6,231	3,667	2,349	6,016	215
162 Municipal Garage	399	401	291	34	325	76
163 Microfilm Section	311	311	255	38	293	18
170 Supply Commissioner	730	730	639	9	648	82
171 Multigraph Section	895	895	611	179	790	105
330 Tax Equalization Board	11	11	3	1	4	7
333 Recorder of Deeds	2,836	2,836	2,569	202	2,771	65
334 Election and Registration	3,716	3,716	2,138	1,257	3,395	321
340 Treasurer	723	723	675	41	716	7
Prior year encumbrance	1,397	1,397	—	128	128	1,269
Sub total general government	43,361	46,516	27,611	13,620	41,231	5,285
190 City-Wide Accounts	5,552	5,552	1,668	3,859	5,527	25
Prior year encumbrance	346	346	—	346	346	—
Sub total city-wide accounts	5,898	5,898	1,668	4,205	5,873	25
Total general government	49,259	52,414	29,279	17,825	47,104	5,310

CITY OF ST. LOUIS, MISSOURI

Schedule of Expenditures –
Budget and Actual – General Fund (Unaudited)
Required Supplementary Information

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Personal services	Actual Other expenditures	Total expenditures	Variance with final budget positive (negative)
Convention and tourism:						
930 Soldier's Memorial Building	\$ 125	125	123	2	125	—
Total convention and tourism	125	125	123	2	125	—
Parks and recreation:						
210 Director of Parks, Recreation and Forestry	666	666	636	17	653	13
213 Division of Recreation	1,594	1,544	1,469	24	1,493	51
214 Division of Forestry	8,772	7,979	6,511	812	7,323	656
220 Division of Parks	7,623	7,573	6,341	589	6,930	643
225 Souland Market	231	231	131	83	214	17
250 Tower Grove Park	725	725	—	725	725	—
Prior year encumbrance	—	—	—	—	—	—
Total parks and recreation	19,611	18,718	15,088	2,250	17,338	1,380
Judicial:						
311 Circuit Court (General)	10,251	9,676	5,031	3,801	8,832	844
312 Circuit Attorney	7,457	7,457	6,222	818	7,040	417
315 Sheriff	9,212	9,212	8,946	257	9,203	9
316 City Courts	2,261	2,261	1,596	460	2,056	205
318 Public Administrator	142	142	141	—	141	1
320 Probation Department and Juvenile Detention Center	16,660	16,210	13,976	1,538	15,514	696
321 Drug Court	499	499	—	289	289	210
Prior year encumbrance	282	282	—	124	124	158
Total judicial	46,764	45,739	35,912	7,287	43,199	2,540

CITY OF ST. LOUIS, MISSOURI

Schedule of Expenditures –
Budget and Actual – General Fund (Unaudited)
Required Supplementary Information

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Personal services	Actual Other expenditures	Total expenditures	Variance with final budget positive (negative)
Streets:						
510 Director of Streets	\$ 1,196	1,196	1,121	38	1,159	37
511 Transportation and Traffic Division	9,552	9,443	5,137	4,032	9,169	274
513 Auto Towing and Storage	2,088	2,097	1,628	479	2,107	(10)
514 Street Division	7,055	7,748	5,945	1,432	7,377	371
516 Refuse Division	18,040	17,790	8,294	9,800	18,094	(304)
Prior year encumbrance	—	—	—	—	—	—
Total streets	37,931	38,274	22,125	15,781	37,906	368
Public safety – fire:						
611 Fire Department Operations	59,825	59,825	57,274	3,677	60,951	(1,126)
612 Firemen's Retirement System	9,599	9,685	9,685	—	9,685	—
Prior year encumbrance	35	35	—	—	—	35
Total public safety – fire	69,459	69,545	66,959	3,677	70,636	(1,091)
Public safety – police:						
650 Police Department	135,386	134,300	117,402	11,462	128,864	5,436
651 Police Retirement System	31,106	31,106	31,126	—	31,126	(20)
Prior year encumbrance	921	921	—	921	921	—
Total public safety – police	167,413	166,327	148,528	12,383	160,911	5,416

CITY OF ST. LOUIS, MISSOURI

Schedule of Expenditures –
 Budget and Actual – General Fund (Unaudited)
 Required Supplementary Information

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Personal services	Actual Other expenditures	Total expenditures	Variance with final budget positive (negative)
Public safety – other:						
610 Director of Public Safety	\$ 723	723	725	13	738	(15)
614 Office of Special Events	194	194	199	—	199	(5)
616 Excise Commissioner	446	446	381	24	405	41
620 Building Commissioner	7,869	7,869	7,180	505	7,685	184
622 Neighborhood Stabilization	2,567	2,567	2,181	115	2,296	271
625 City Emergency Management Agency	203	203	127	42	169	34
632 Medium Security Institution	15,988	15,433	10,175	4,743	14,918	515
633 City Jail	23,426	23,501	16,750	5,955	22,705	796
635 Civilian Oversight Board	316	316	265	20	285	31
Prior year encumbrance	15	15	—	—	—	15
Total public safety-other	51,747	51,267	37,983	11,417	49,400	1,867
Health and welfare:						
335 Medical Examiner	2,294	2,294	865	1,284	2,149	145
800 Director of Human Services	1,531	1,531	1,282	118	1,400	131
Total health and welfare	3,825	3,825	2,147	1,402	3,549	276
Public services:						
900 President's Office, Board of Public Services	2,524	2,524	2,166	195	2,361	163
903 Building Operations	15,711	15,711	4,385	11,867	16,252	(541)
910 Equipment Services Division	16,379	16,379	7,486	7,640	15,126	1,253
Prior year encumbrance	365	365	—	365	365	—
Total public services	34,979	34,979	14,037	20,067	34,104	875
Debt service:						
Principal	11,562	11,774	—	11,240	11,240	534
Interest and fiscal charges	14,591	14,329	—	14,162	14,162	167
Total debt service	26,153	26,103	—	25,402	25,402	701
Total expenditures	\$ 507,266	507,316	372,181	117,493	489,674	17,642

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual – Redevelopment Projects Fund (Unaudited)
 Required Supplementary Information

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 39,973	39,973	39,973	—
Licenses and permits	2	2	2	—
Intergovernmental	4,103	4,103	4,103	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	85	85	85	—
Miscellaneous	2,719	2,719	2,719	—
Total revenues	46,882	46,882	46,882	—
Expenditures:				
Current:				
General government	1,375	1,375	1,375	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Community development	32,475	32,475	32,475	—
Capital outlay	—	—	—	—
Debt service	34,963	34,963	34,963	—
Total expenditures	68,813	68,813	68,813	—
Excess (deficiency) of revenues over expenditures	(21,931)	(21,931)	(21,931)	—
Other financing sources (uses):				
Proceeds from issuance of TIF debt	23,303	23,303	23,303	—
Transfers in	—	—	—	—
Transfers out	(5,555)	(5,555)	(5,555)	—
	17,748	17,748	17,748	—
Net change in fund balances	\$ (4,183)	(4,183)	(4,183)	—

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund and Redevelopment Projects Fund – Unaudited

Required Supplementary Information

Year ended June 30, 2019

(Dollars in thousands)

(1) Explanation of Budgetary Process

The City prepares annual budgets for the general fund, the redevelopment projects fund, the debt service fund, the capital projects fund, and the following nonmajor special revenue funds: use tax fund, transportation fund, convention and tourism fund, licensed gaming program fund, assessor's office fund, lateral sewer program fund, public safety trust fund, public safety sales tax fund, parks and recreation, economic development sales tax fund and other budgeted special revenue fund. An annual budget is not prepared for the grants major special revenue fund.

The City follows the procedures outlined below in establishing the budgetary data:

- 1) On or before 60 days prior to the start of each fiscal year, the Budget Director submits to the Board of Estimate and Apportionment (E&A), which consists of the Mayor, the Comptroller, and the President of the Board of Aldermen, for approval and submission to the Board of Aldermen (Board), a proposed annual operating budget for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and the means of financing them at the sub-fund level. A public hearing is held by E&A in order to afford citizens an opportunity to be heard on the proposed budget. The Board may reduce any item, except amounts fixed by state statute or for the payment of principal or interest of the City debt or for meeting any ordinance obligations, but may not increase such amount nor insert new items. Expenditures may not legally exceed appropriations at the fund level; however, supplemental appropriations may be made by the Board.
- 2) The annual operating budgets are adopted by the affirmative vote of a majority of the members of the Board and approval by the Mayor on or before the last day of the preceding budget year. In the event the Board has not acted upon the proposed budget ordinance by this time, the budgets, as recommended by E&A or in its absence, the submission by the Budget Director, shall be considered to be adopted and approved by the Board.
- 3) During the year, with the approval of E&A, the City may transfer part or all of any encumbered appropriation balance among programs within a department, office, or agency, without approval of the Board. Legislative action is required by the Board when the budget for an entire fund is to be increased. The amount of such transfers during the year was not significant.
- 4) If it is determined that there are revenues in excess of those estimated in the budget that are available for appropriation, the Board may, by ordinance, make supplemental appropriations for the year up to the amount of such excess.
- 5) At the end of each budget period, all unencumbered appropriated balances lapse, with the exception of appropriations for capital improvements that lapse upon completion of the related capital improvement project.

Schedule 3, Continued

CITY OF ST. LOUIS, MISSOURI

Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund and Redevelopment Projects Fund – Unaudited

Required Supplementary Information

Year ended June 30, 2019

(Dollars in thousands)

(2) Explanation of the Differences Between the Excess/(Deficiency) of Revenues and other Financing Sources over Expenditures and other Financing Uses – Budget Basis and Net Change in Fund Balance – GAAP Basis

The City's budgetary process is based upon accounting for certain transactions on a basis other than accounting principles generally accepted for governmental entities in the United States of America (GAAP). To provide a meaningful comparison of actual results with the budget, the actual results of operations are presented in the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund in accordance with the budget basis of accounting.

The major differences between the budget and GAAP bases of accounting are:

- 1) Revenues are recorded when received in cash (budget), as opposed to when they are measurable and available (GAAP).
- 2) Expenditures are recorded when paid (budget), as opposed to when the obligation is incurred (GAAP).
- 3) Certain activities and funds of the general, special revenue, and capital projects fund types are not included in the annual operating budgets adopted by the Board.

Adjustments necessary to reconcile the excess (deficiency) of revenues and other financing sources over expenditures and other financing uses from the GAAP basis to the budget basis of accounting are as follows:

	General fund	Redevelopment projects fund
Budget basis	\$ 30,752	(4,183)
Increase (decrease) due to:		
Revenue accruals	2,350	1,305
Expenditure accruals	(93)	(1)
Unbudgeted activities and funds	13,740	—
GAAP basis	<u>\$ 46,749</u>	<u>(2,879)</u>

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information
Unaudited
June 30, 2019
(Dollars in thousands)

Police Retirement System of St. Louis.

Schedule of changes in the net pension liability and related ratios – Last ten fiscal years (In thousands)

	Fiscal year end June 30									
Total pension liability	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Service cost	\$ 16,370	17,988	12,618	12,978	12,992					
Interest	68,899	66,043	67,036	66,579	65,906					
Difference between expected and actual experience	(4,887)	3,911	(3,684)	(2,041)	—	(Historical information prior to implementation of GASB 67/68 is not required)				
Change in benefit	—	—	—	—	—					
Change of assumptions	(59,546)	(55,154)	131,846	16,249	6,650					
Benefit payments	(68,576)	(63,452)	(62,637)	(69,533)	(60,973)					
Net change in total pension liability	(47,740)	(30,664)	145,179	24,232	24,575					
Total pension liability – beginning	1,058,653	1,089,317	944,138	919,906	895,331					
Total pension liability – ending (a)	1,010,913	1,058,653	1,089,317	944,138	919,906					
System fiduciary net position:										
Contributions – employer	33,105	33,826	30,779	30,600	32,325					
Contributions – employee	5,129	4,654	4,377	4,488	4,438					
Net investment income	51,089	93,520	52,927	(8,325)	48,095					
Benefit payments	(68,576)	(63,452)	(62,637)	(69,533)	(60,973)					
Administrative expenses	(1,166)	(1,206)	(1,103)	(1,125)	(1,096)					
Net change in fiduciary net position	19,581	67,342	24,343	(43,895)	22,789					
System fiduciary net position – beginning	776,580	709,238	684,895	728,790	706,277					
System fiduciary net position – ending (b)	796,161	776,580	709,238	684,895	729,066					
Net pension liability – ending: (a)-(b)	\$ 214,751	282,073	380,079	259,243	190,840					
System's fiduciary net position as a percentage of the total pension liability	78.76 %	73.36 %	65.11 %	72.54 %	79.25 %					
Covered payroll*	\$ 76,710	76,142	72,684	72,325	72,151					
Net pension liability as a percentage of covered payroll	279.95 %	370.46 %	522.92 %	358.44 %	264.50 %					

* Covered payroll as reported in the October 1, 20XX funding valuation report

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information
Unaudited
June 30, 2019
(Dollars in thousands)

Police Retirement System of St. Louis.

Schedule of contributions – Last ten fiscal years (In thousands)

	Covered employee payroll	Contributions as percentage of covered- employee payroll	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
Fiscal year ended June 30:					
2019	\$ 74,840	44.23	\$ 33,105	33,105	—
2018	73,619	45.95	33,827	33,827	—
2017	77,844	39.54	30,779	30,779	—
2016	72,325	42.31	30,600	30,600	—
2015	72,151	44.80	32,325	32,325	—
2014	70,328	41.96	29,513	32,629	(3,116)
2013	70,077	31.60	22,146	28,474	(6,328)
2012	67,594	26.80	18,116	20,037	(1,921)
2011	71,095	21.25	15,108	17,476	(2,368)
2010	68,573	16.58	11,368	14,318	(2,950)

Notes to required supplementary information for contributions

Valuation date

October 1, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Entry Age Normal

Amortization method/period

None – aggregate is funded over the future working lifetime of current participants

Asset valuation method

5-year smoothed average of market value

Actuarial assumptions:

Investment rate of return

7.5%, net of 0.15% administrative expenses

Inflation

2.5%

Projected salary increases

3.00% – 6.25%, varying by age

Mortality (ordinary)

RP-2014 Blue collar projected generally with MP-2015 with 1.15 adjustment

Mortality (accidental)

0.03% per year for all ages in addition to ordinary mortality

Mortality (disabled)

RP-2014 disabled retiree projected generally with MO-2015 with 0.9 adjustment male and no adjustment for females

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information
Unaudited
June 30, 2019
(Dollars in thousands)

Firemen's Retirement System of St Louis**Schedule of changes in the net pension liability and related ratios – Last ten fiscal years (In thousands)**

	Fiscal year end June 30									
Total pension liability	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Service cost	\$ —	—	—	—	—					
Interest	32,730	34,537	34,916	34,403	34,450					
Difference between expected and actual experience	(5,442)	(26,463)	(6,984)	15	—	(Historical information prior to implementation of GASB 67/68 is not required)				
Change in benefit	—	—	—	—	—					
Change of assumptions	—	—	—	43,915	—					
Refunds	(649)	(816)	(1,278)	(1,294)	(1,205)					
Benefit payments	(32,161)	(32,016)	(32,155)	(33,562)	(34,002)					
Net change in total pension liability	(5,522)	(24,758)	(5,501)	43,477	(757)					
Total pension liability – beginning	464,760	489,518	495,019	451,542	452,299					
Total pension liability – ending (a)	459,238	464,760	489,518	495,019	451,542					
System fiduciary net position:										
Contributions – employer	2,715	3,314	2,715	—	1,008					
Refunds	(649)	(816)	(1,278)	(1,294)	(1,205)					
Net investment income	24,520	60,391	38,228	(10,932)	48,270					
Benefit payments	(32,161)	(32,016)	(32,155)	(33,562)	(34,002)					
Transfer out due to settlement agreement	—	—	—	—	(10,279)					
Transfer from future benefit fund	166	167	167	—	—					
Administrative expenses	(1,050)	(1,068)	(1,095)	(1,594)	(1,424)					
Net change in fiduciary net position	(6,459)	29,972	6,582	(47,382)	2,368					
System fiduciary net position – beginning	483,612	453,640	447,058	494,440	492,222					
System fiduciary net position – ending (b)	477,153	483,612	453,640	447,058	494,590					
Net pension liability – ending: (a)-(b)	\$ (17,915)	(18,852)	35,878	47,961	(43,048)					
System's fiduciary net position as a percentage of the total pension liability	103.90 %	104.06 %	92.67 %	90.31 %	109.53 %					
Covered payroll*	\$ 29,797	31,079	30,219	30,288	29,768					
Net pension liability as a percentage of covered payroll	(60.12)%	(60.66)%	118.73 %	158.35 %	(144.61)%					

* Covered payroll as reported in the October 1, 20XX funding valuation report

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information
Unaudited
June 30, 2019
(Dollars in thousands)

Firemen's Retirement System of St Louis

Schedule of contributions – Last ten fiscal years (In thousands)

	Covered employee payroll	Contributions as percentage of covered- employee payroll	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
Fiscal year ended June 30:					
2019	\$ 26,734	10.16 %	\$ 2,715	2,715	—
2018	29,122	11.38	3,314	3,314	—
2017	30,697	8.84	2,715	2,715	—
2016	30,288	—	—	—	—
2015	29,768	3.39	1,008	1,008	—
2014	30,022	32.66	9,804	10,137	(333)
2013	36,013	58.80	21,177	21,685	(508)
2012	37,157	62.09	23,072	23,072	—
2011	40,789	43.77	17,855	17,855	—
2010	42,052	29.00	12,194	12,194	—

Notes to required supplementary information for contributions

Valuation date

October 1, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Entry Age – Frozen Initial Liability (FIL)

Amortization method/period

30-year closed period from establishment

Asset valuation method

3-year smoothed average of market value

Actuarial assumptions:

Investment rate of return

7.3%, net of investment expenses

Inflation

2.75%

Projected salary increases

Benefits have been frozen since February 1, 2013;
therefore, no salary increases have been assumed

Mortality

RP-2014 mortality table, sex distinct

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information
Unaudited
June 30, 2019
(Dollars in thousands)

Firefighters' Retirement Plan**Schedule of changes in the net pension liability and related ratios – Last ten fiscal years (In thousands)**

	Fiscal year end June 30									
Total pension liability	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Service cost	\$ 7,620	6,009	6,033	6,227	6,411					
Interest	7,777	8,214	7,215	6,146	4,088					
Difference between expected and actual experience	6,428	4,041	337	1,179	(5,360)					
Change in benefit	—	—	—	979	—					
Change of assumptions	—	(19,682)	—	22,244	—					
Benefit payments	(746)	(552)	(381)	(263)	(133)					
Net change in total pension liability	21,079	(1,970)	13,204	36,512	5,006					
Total pension liability – beginning	100,014	101,984	88,780	52,268	47,262					
Total pension liability – ending (a)	121,093	100,014	101,984	88,780	52,268					
Plan fiduciary net position:										
Contributions – employer	8,023	9,263	9,148	8,507	15,825					
Contributions – employee	3,172	3,121	2,919	2,829	2,813					
Net investment income	5,683	5,900	2,892	(843)	(92)					
Benefit payments	(746)	(552)	(381)	(263)	(133)					
Administrative expenses	(414)	(413)	(405)	(313)	(207)					
Net change in fiduciary net position	15,718	17,319	14,173	9,917	18,206					
Plan fiduciary net position – beginning	61,267	43,948	29,776	19,859	1,653					
Plan fiduciary net position – ending (b)	76,985	61,267	43,949	29,776	19,859					
Net pension liability – ending: (a)-(b)	\$ 44,108	38,747	58,035	59,004	32,409					
Plan's fiduciary net position as a percentage of the total pension liability	63.58 %	61.26 %	43.09 %	33.54 %	37.99 %					
Covered payroll*	\$ 39,933	38,483	36,637	35,531	34,939					
Net pension liability as a percentage of covered payroll	110.46 %	100.69 %	158.41 %	166.06 %	92.76 %					

* Covered payroll as reported in the October 1, 20XX funding valuation report

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information
Unaudited
June 30, 2019
(Dollars in thousands)

Firefighters' Retirement Plan

Schedule of contributions – Last ten fiscal years (In thousands)

	Covered employee payroll	Contributions as percentage of covered- employee payroll	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
Fiscal year ended June 30:					
2019	\$ 35,829	22.39 %	\$ 8,023	8,023	—
2018	36,059	25.69 %	9,263	9,263	—
2017	37,216	24.58	9,148	9,148	—
2016	35,531	20.93	7,436	8,507	(1,071)
2015	34,939	25.59	8,942	8,942	—
2014	22,642	30.40	6,883	6,883	—
2013	—	—	—	—	—
2012	—	—	—	—	—
2011	—	—	—	—	—
2010	—	—	—	—	—

Notes to required supplementary information for contributions

Valuation date

October 1, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Entry Age Normal

Amortization method/period

30-year closed period from establishment

Asset valuation method

5-year smoothed market

Actuarial assumptions:

Investment rate of return

7.25%, net of investment expenses

Inflation

2.75%

Projected salary increases

Varies based on employee's years of service

Mortality

RP-2014 Blue Collar Employee table adjusted to 2006
with MP-2017

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information
Unaudited
June 30, 2019
(Dollars in thousands)

Employees Retirement System of the City of St Louis

Schedule of changes in the net pension liability and related ratios – Last ten fiscal years (In thousands)

Total pension liability	Fiscal year end June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Proportion of the net pension liability	82.04 %	82.91 %	83.20 %	83.50 %	83.90 %	<i>(Historical information prior to implementation of GASB 67/68 is not required)</i>				
Proportionate share of the net pension liability	\$ 138,806	144,021	174,115	189,264	129,712					
Covered payroll	196,614	198,402	197,322	211,924	211,675					
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	70.60 %	72.59 %	88.24 %	89.31 %	61.28 %					
Plan fiduciary net position as a percentage of the total pension liability	68.11 %	68.37 %	65.33 %	63.64 %	70.09 %					

See accompanying independent auditors' report.

Schedule 4, Continued

CITY OF ST. LOUIS, MISSOURI
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information
Unaudited
June 30, 2019
(Dollars in thousands)

Employees Retirement System of the City of St Louis

Schedule of contributions – Last ten fiscal years (In thousands)

	Covered employee payroll	Contributions as percentage of covered- employee payroll	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
Fiscal year ended June 30:					
2019	\$ 194,810	12.36 %	\$ 23,021	24,088	(1,067)
2018	197,404	12.51	22,953	24,692	(1,739)
2017	197,906	13.51	23,743	26,734	(2,991)
2016	238,385	14.87	31,605	35,436	(3,831)
2015	237,795	15.47	34,061	36,788	(2,727)
2014	192,141	—	29,601	—	29,601
2013	191,099	13.52	27,064	25,837	1,227
2012	189,602	13.13	25,073	24,900	173
2011	197,584	11.67	24,224	23,049	1,175
2010	204,348	11.34	22,162	23,164	(1,002)

Notes to required supplementary information for contributions

Valuation date	October 1, 2018
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method/period	Layered 20-year amortization of unfunded liability
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%, net of investment expenses
Inflation	2.5%
Projected salary increases	3% plus merit component based on years of service
Mortality	RP-2000 Healthy Mortality 3-year set-forward with generational projections using Scale AA

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI
Retirement Systems and Other Postemployment Benefit Plans
Required Supplementary Information
Unaudited
June 30, 2019
(Dollars in thousands)

SLPD OPEB Plan**Schedule of changes in the total OPEB liability and related ratios – Last ten fiscal years** (In thousands)

	Fiscal year end June 30									
Total pension liability	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Service cost	\$ 14,768	15,481								
Interest	19,285	17,946								
Difference between expected and actual experience	(1,219)	—	<i>(Historical information prior to implementation of GASB 75 is not required)</i>							
Change in benefit		—								
Change of assumptions	40,079	(23,261)								
Benefit payments	(12,483)	(12,371)								
Net change in total OPEB liability	60,430	(2,205)								
Total OPEB liability – beginning	489,731	234,180								
Cumulative effect of change in accounting principle	—	257,756								
Total OPEB liability – beginning, as adjusted	489,731	491,936								
Total OPEB liability – ending	550,161	489,731								
Covered payroll*	\$ 99,674	92,643								
Total OPEB liability as a percentage of covered payroll	551.96 %	528.62 %								

* Covered payroll as reported in the October 1, 20XX funding valuation report

See accompanying independent auditors' report.



Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Use Tax – Used to record revenue received from the local use tax and expenditures made to promote health and welfare activities.

Transportation – Used to record sales tax revenue and expenditures for transportation purposes.

Convention and Tourism – Used to record revenue received from the one cent restaurant tax, 3½% hotel tax, and football admission gross receipts and expenditures made to promote convention and tourism activities.

Licensed Gaming Program – Used to record revenue received from adjusted gross receipts and admissions taxes imposed on riverboat gaming excursion boats.

Assessor's Office – Used to account for financial assistance received from the State of Missouri, commissions received from the collection of property taxes, and expenditures made to operate the Assessor's office.

Lateral Sewer Program – Used to account for revenue received from charges on specific residential support within the boundaries of the City of St. Louis and expenditures made to repair lateral sewer service lines leading from the residential properties to any sewer main that is maintained by the Metropolitan St. Louis Sewer District.

Collector of Revenue – Used to account for operating receipts and disbursements of the Collector of Revenue's office.

License Collector – Used to account for the operating receipts and disbursements of the License Collector's office.

Public Safety Trust – Used to account for revenues derived from an increase in the graduated business license to be used for enhanced public safety.

Public Safety Sales Tax – Used to account for revenues received from an increase of sales tax to be used for public safety.

Parks and Recreation – Used to account for revenues designated for parks and recreation.

Economic Development Sales Tax – Used to account for revenues received from an increase of sales tax to be used for economic development.

Public Safety Sales Tax II – Used to account for revenues received from an additional increase of sales tax to be used for public safety.

Other Budgeted Special Revenue – Used to account for the activities of other less significant special revenue sources for which annual budgets are adopted.

Other Nonbudgeted Special Revenue – Used to account for the activities of other less significant special revenue sources for which annual budgets are not adopted.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, long term debt principal, interest, and related costs.

CITY OF ST. LOUIS, MISSOURI

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2019

(Dollars in thousands)

	Special revenue								
			Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Collector of Revenue	License Collector	Public Safety Trust
Assets	Use Tax	Transportation							
Cash and cash equivalents:									
Restricted	\$ —	—	—	—	—	—	—	—	—
Unrestricted	12,331	(7)	457	556	213	2,647	1,114	2,114	627
Investments:									
Restricted	—	—	—	—	—	—	—	—	—
Unrestricted	1,834	—	69	83	31	394	—	—	94
Receivables, net of allowances:									
Taxes	6,217	6,797	3,975	681	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—	234
Intergovernmental	—	—	—	—	539	—	—	—	—
Charges for services	—	—	—	—	—	684	—	—	—
Other	—	—	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—	—	—
Prepaid assets	—	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	37	—	—
Total assets	\$ 20,382	6,790	4,501	1,320	783	3,725	1,151	2,114	955
Liabilities, Deferred Inflow of Resources, and Fund Balances									
Liabilities:									
Accounts payable and accrued liabilities	\$ 1,736	—	—	—	2	273	—	—	—
Accrued salaries and other benefits	220	—	—	—	93	12	—	—	8
Due to component units	—	—	—	—	—	—	—	—	—
Due to other funds	6	507	484	—	—	—	—	—	—
Unearned revenue	—	—	—	—	—	—	—	—	—
Total liabilities	1,962	507	484	—	95	285	—	—	8
Deferred inflow of resources	—	—	—	—	539	555	13	—	48
Total liabilities and deferred inflow of resources	1,962	507	484	—	634	840	13	—	56
Fund balances:									
Nonspendable	—	—	—	—	—	—	—	—	—
Restricted	—	6,283	—	152	149	—	1,138	2,114	—
Committed	12,662	—	4,017	—	—	2,885	—	—	899
Assigned	5,758	—	—	1,168	—	—	—	—	—
Unassigned	—	—	—	—	—	—	—	—	—
Total fund balances	18,420	6,283	4,017	1,320	149	2,885	1,138	2,114	899
Total liabilities, deferred inflow of resources, and fund balances	\$ 20,382	6,790	4,501	1,320	783	3,725	1,151	2,114	955

Schedule 5, Continued

CITY OF ST. LOUIS, MISSOURI

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2019

(Dollars in thousands)

	Special revenue								
	Public Safety Sales Tax	Parks and Recreation	Economic Development Sales Tax	Public Safety Sales Tax II	Other Budgeted Special Revenue	Other Nonbudgeted Special Revenue	Total Special Revenue	Debt Service Fund	Total Other Governmental Fund
Assets									
Cash and cash equivalents:									
Restricted	\$ —	3,292	—	—	—	—	3,292	728	4,020
Unrestricted	2,277	2,973	23,590	8,980	12,870	4,666	75,408	—	75,408
Investments:									
Restricted	—	3,027	—	—	—	—	3,027	9,000	12,027
Unrestricted	339	443	3,509	1,336	1,915	866	10,913	—	10,913
Receivables, net of allowances:									
Taxes	3,397	849	3,372	3,369	1,150	—	29,807	8,109	37,916
Licenses and permits	—	—	—	—	12	—	246	—	246
Intergovernmental	—	—	—	—	909	—	1,448	—	1,448
Charges for services	—	—	—	—	817	212	1,713	—	1,713
Other	—	—	—	—	185	452	637	—	637
Inventories	—	—	—	—	—	—	—	—	—
Prepaid assets	—	—	—	12	—	—	12	—	12
Due from other funds	—	—	—	—	—	—	37	—	37
Total assets	\$ 6,013	10,584	30,471	13,697	17,858	6,196	126,540	17,837	144,377
Liabilities, Deferred Inflow of Resources, and Fund Balances									
Liabilities:									
Accounts payable and accrued liabilities	\$ 183	105	15	74	316	243	2,947	—	2,947
Accrued salaries and other benefits	1	70	—	28	140	8	580	—	580
Due to component units	—	—	—	—	24	199	223	—	223
Due to other funds	615	159	—	—	—	—	1,771	—	1,771
Unearned revenue	—	—	—	—	2,351	452	2,803	—	2,803
Total liabilities	799	334	15	102	2,831	902	8,324	—	8,324
Deferred inflow of resources	—	—	—	—	681	—	1,836	8,062	9,898
Total liabilities and deferred inflow of resources	799	334	15	102	3,512	902	10,160	8,062	18,222
Fund balances:									
Nonspendable	—	—	—	—	—	11	11	—	11
Restricted	—	7,797	30,456	—	219	1,507	49,815	9,775	59,590
Committed	5,214	2,453	—	13,595	13,650	3,669	59,044	—	59,044
Assigned	—	—	—	—	477	107	7,510	—	7,510
Unassigned	—	—	—	—	—	—	—	—	—
Total fund balances	5,214	10,250	30,456	13,595	14,346	5,294	116,380	9,775	126,155
Total liabilities, deferred inflow of resources, and fund balances	\$ 6,013	10,584	30,471	13,697	17,858	6,196	126,540	17,837	144,377

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year ended June 30, 2019

(Dollars in thousands)

	Special revenue								
	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Collector of Revenue	License Collector	Public Safety Trust
Revenues:									
Taxes	\$ 36,239	40,419	15,947	7,506	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—	2,926
Intergovernmental	—	—	—	—	415	—	—	—	—
Charges for services, net	—	—	—	—	2	2,671	8,917	2,140	—
Court fines and forfeitures	—	—	—	—	—	—	—	—	—
Investment income	36	—	1	2	—	8	70	—	2
Miscellaneous	35	—	—	—	2,536	—	323	—	—
Total	36,310	40,419	15,948	7,508	2,953	2,679	9,310	2,140	2,928
Expenditures:									
General government	—	—	165	—	4,236	—	8,927	2,011	217
Parks and recreation	57	—	—	—	—	—	—	—	—
Judicial	(4)	—	—	—	—	—	—	—	273
Streets	594	—	—	—	—	—	—	—	—
Public safety:									
Fire	—	—	—	17	—	—	—	—	—
Police	9,996	—	—	3,400	—	—	—	—	2,159
Other	5,161	—	—	—	—	—	—	—	—
Health and welfare	16,275	—	—	—	—	—	—	—	—
Public services	—	41,143	—	—	—	2,329	—	—	—
Capital outlay	—	—	—	—	—	—	—	—	—
Debt service:									
Principal	—	—	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	—	—
Total expenditures	32,079	41,143	165	3,417	4,236	2,329	8,927	2,011	2,649
Excess (deficiency) of revenues over expenditures	4,231	(724)	15,783	4,091	(1,283)	350	383	129	279
Other financing sources (uses):									
Transfers in	—	356	237	—	1,550	—	—	—	—
Transfers out	(606)	—	(15,304)	(4,000)	(51)	(5)	(88)	(23)	(7)
Total other financing sources (uses), net	(606)	356	(15,067)	(4,000)	1,499	(5)	(88)	(23)	(7)
Net change in fund balances	3,625	(368)	716	91	216	345	295	106	272
Fund balances:									
Beginning of year	14,795	6,651	3,301	1,229	(67)	2,540	843	2,008	627
End of year	\$ 18,420	6,283	4,017	1,320	149	2,885	1,138	2,114	899

Schedule 6, Continued

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year ended June 30, 2019

(Dollars in thousands)

	Public Safety Sales Tax	Parks and Recreation	Economic Development Sales Tax	Public Safety Sales Tax II	Other Budgeted Special Revenue	Other Nonbudgeted Special Revenue	Total Special Revenue	Debt Service Fund	Total Other Governmental Fund
Revenues:									
Taxes	\$ 19,415	4,841	20,735	24,889	13,828	—	183,819	6,899	190,718
Licenses and permits	—	—	—	—	3,615	7	6,548	—	6,548
Intergovernmental	—	—	—	—	4,626	54	5,095	—	5,095
Charges for services, net	—	8	—	—	1,678	927	16,343	—	16,343
Court fines and forfeitures	—	—	—	—	32	5	37	—	37
Investment income	6	117	50	14	34	22	362	141	503
Miscellaneous	646	4,001	—	—	5,508	1,524	14,573	—	14,573
Total	20,067	8,967	20,785	24,903	29,321	2,539	226,777	7,040	233,817
Expenditures:									
General government	—	—	750	—	2,637	607	19,550	—	19,550
Parks and recreation	—	3,490	—	419	497	306	4,769	—	4,769
Judicial	—	—	—	799	2,333	249	3,650	—	3,650
Streets	—	—	—	—	257	49	900	—	900
Public safety:									
Fire	1,065	—	—	4,189	—	29	5,300	—	5,300
Police	8,260	—	—	9,276	48	—	33,139	—	33,139
Other	985	—	109	545	3,697	3,005	13,502	—	13,502
Health and welfare	—	—	842	581	645	51	18,394	—	18,394
Public services	—	—	2	—	372	21	43,867	—	43,867
Capital outlay	—	—	—	—	51	—	51	—	51
Debt service:									
Principal	4,485	1,345	—	—	306	—	6,136	4,905	11,041
Interest and fiscal charges	4,875	1,683	—	—	67	—	6,625	1,937	8,562
Total expenditures	19,670	6,518	1,703	15,809	10,910	4,317	155,883	6,842	162,725
Excess (deficiency) of revenues over expenditures	397	2,449	19,082	9,094	18,411	(1,778)	70,894	198	71,092
Other financing sources (uses):									
Transfers in	319	480	—	—	1,031	581	4,554	96	4,650
Transfers out	(1)	(20)	(2,095)	(135)	(12,499)	(25)	(34,859)	—	(34,859)
Total other financing sources (uses), net	318	460	(2,095)	(135)	(11,468)	556	(30,305)	96	(30,209)
Net change in fund balances	715	2,909	16,987	8,959	6,943	(1,222)	40,589	294	40,883
Fund balances:									
Beginning of year	4,499	7,341	13,469	4,636	7,403	6,516	75,791	9,481	85,272
End of year	\$ 5,214	10,250	30,456	13,595	14,346	5,294	116,380	9,775	126,155

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Use Tax Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 33,720	33,720	36,710	2,990
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	30	30	35	5
Total revenues	33,750	33,750	36,745	2,995
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	89	89	67	22
Judicial	—	—	—	—
Streets	684	684	602	82
Public safety:				
Fire	—	—	—	—
Police	9,996	9,996	9,996	—
Other	4,948	4,948	4,903	45
Health and welfare	24,715	24,715	16,320	8,395
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	40,432	40,432	31,888	8,544
Excess (deficiency) of revenues over (under) expenditures	(6,682)	(6,682)	4,857	11,539
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(500)	(500)	(500)	—
	(500)	(500)	(500)	—
Net change in fund balances	\$ (7,182)	(7,182)	4,357	11,539

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Transportation Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 44,997	44,997	40,780	(4,217)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	44,997	44,997	40,780	(4,217)
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	44,997	44,997	41,143	3,854
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	44,997	44,997	41,143	3,854
Excess (deficiency) of revenues over (under) expenditures	—	—	(363)	(363)
Other financing sources (uses):				
Transfers in	—	—	356	356
Transfers out	—	—	—	—
	—	—	356	356
Net change in fund balances	\$ —	—	(7)	(7)

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Convention and Tourism Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 15,536	15,536	15,757	221
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	15,536	15,536	15,757	221
Expenditures:				
Current:				
General government	165	165	165	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	165	165	165	—
Excess (deficiency) of revenues over (under) expenditures	15,371	15,371	15,592	221
Other financing sources (uses):				
Transfers in	—	—	237	237
Transfers out	(15,532)	(15,532)	(15,304)	228
	(15,532)	(15,532)	(15,067)	465
Net change in fund balances	\$ (161)	(161)	525	686

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Licensed Gaming Program Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 7,200	7,200	7,596	396
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	7,200	7,200	7,596	396
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	25	25	17	8
Police	3,400	3,400	3,400	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	3,425	3,425	3,417	8
Excess (deficiency) of revenues over (under) expenditures	3,775	3,775	4,179	404
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(4,000)	(4,000)	(4,000)	—
	(4,000)	(4,000)	(4,000)	—
Net change in fund balances	\$ (225)	(225)	179	404

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Assessor's Office Special Revenue Fund – Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ —	—	—	—
Licenses and permits	—	—	—	—
Intergovernmental	415	415	415	—
Charges for service, net	1	1	2	1
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	2,472	2,472	2,536	64
Total revenues	2,888	2,888	2,953	65
Expenditures:				
Current:				
General government	4,407	4,407	4,287	120
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	4,407	4,407	4,287	120
Excess (deficiency) of revenues over (under) expenditures	(1,519)	(1,519)	(1,334)	185
Other financing sources (uses):				
Transfers in	1,550	1,550	1,550	—
Transfers out	—	—	—	—
	1,550	1,550	1,550	—
Net change in fund balances	\$ 31	31	216	185

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Lateral Sewer Program Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ —	—	—	—
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	2,386	2,386	2,692	306
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	2,386	2,386	2,692	306
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	2,983	2,983	2,200	783
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	2,983	2,983	2,200	783
Excess (deficiency) of revenues over (under) expenditures	(597)	(597)	492	1,089
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	\$ (597)	(597)	492	1,089

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Public Safety Trust Special Revenue Fund – Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ —	—	—	—
Licenses and permits	3,038	3,038	2,885	(153)
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	3,038	3,038	2,885	(153)
Expenditures:				
Current:				
General government	292	292	222	70
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	502	502	275	227
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	2,159	2,159	2,159	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	2,953	2,953	2,656	297
Excess (deficiency) of revenues over (under) expenditures	85	85	229	144
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balances	\$ 85	85	229	144

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Public Safety Sales Tax Special Revenue Fund – Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 20,760	20,760	19,688	(1,072)
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	20,760	20,760	19,688	(1,072)
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	1,065	1,065	1,065	—
Police	8,260	8,260	8,260	—
Other	1,739	1,739	945	794
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	8,730	8,730	8,714	16
Total expenditures	19,794	19,794	18,984	810
Excess (deficiency) of revenues over (under) expenditures	966	966	704	(262)
Other financing sources (uses):				
Transfers in	—	—	319	319
Transfers out	—	—	—	—
	—	—	319	319
Net change in fund balances	\$ 966	966	1,023	57

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Parks and Recreation Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 4,856	4,856	4,907	51
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	16	16	8	(8)
Court fines and forfeitures	—	—	—	—
Investment income	—	—	33	33
Miscellaneous	2,000	2,000	4,001	2,001
Total revenues	6,872	6,872	8,949	2,077
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	5,721	5,875	3,487	2,388
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	3,033	3,033	2,995	38
Total expenditures	8,754	8,908	6,482	2,426
Excess (deficiency) of revenues over (under) expenditures	(1,882)	(2,036)	2,467	4,503
Other financing sources (uses):				
Transfers in	400	400	480	80
Transfers out	—	—	(3)	(3)
	400	400	477	77
Net change in fund balances	\$ (1,482)	(1,636)	2,944	4,580

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Economic Development Sales Tax Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 20,760	20,760	20,896	136
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	20,760	20,760	20,896	136
Expenditures:				
Current:				
General government	3,160	3,160	750	2,410
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	100	94	6
Health and welfare	3,160	3,160	842	2,318
Public service	15,520	12,360	2	12,358
Capital outlay	—	3,060	—	3,060
Debt service	—	—	—	—
Total expenditures	21,840	21,840	1,688	20,152
Excess (deficiency) of revenues over (under) expenditures	(1,080)	(1,080)	19,208	20,288
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(2,060)	(2,060)	(2,095)	(35)
	(2,060)	(2,060)	(2,095)	(35)
Net change in fund balances	\$ (3,140)	(3,140)	17,113	20,253

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Public Safety Sales Tax II Special Revenue Fund – Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 23,392	23,392	24,954	1,562
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total revenues	23,392	23,392	24,954	1,562
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	975	975	348	627
Judicial	1,500	1,498	804	694
Streets	—	—	—	—
Public safety:				
Fire	5,475	5,460	4,192	1,268
Police	13,525	13,494	9,271	4,223
Other	950	950	545	405
Health and welfare	905	905	576	329
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	—	—	—	—
Total expenditures	23,330	23,282	15,736	7,546
Excess (deficiency) of revenues over (under) expenditures	62	110	9,218	9,108
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	(70)	(118)	(118)	—
	(70)	(118)	(118)	—
Net change in fund balances	\$ (8)	(8)	9,100	9,108

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Other Budgeted Special Revenue Fund – Nonmajor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 13,004	13,004	13,996	992
Licenses and permits	4,528	4,528	3,613	(915)
Intergovernmental	2,185	2,185	3,888	1,703
Charges for service, net	3,221	3,221	3,268	47
Court fines and forfeitures	40	40	32	(8)
Investment income	—	—	—	—
Miscellaneous	3,618	3,618	2,745	(873)
Total revenues	26,596	26,596	27,542	946
Expenditures:				
Current:				
General government	3,467	3,495	2,631	864
Convention and tourism	—	—	—	—
Parks and recreation	1,020	1,020	428	592
Judicial	2,683	2,683	2,361	322
Streets	300	300	261	39
Public safety:				
Fire	—	—	—	—
Police	300	300	143	157
Other	5,057	5,029	3,771	1,258
Health and welfare	975	975	606	369
Public service	1,071	1,071	365	706
Capital outlay	328	328	78	250
Debt service	—	—	—	—
Total expenditures	15,201	15,201	10,644	4,557
Excess (deficiency) of revenues over (under) expenditures	11,395	11,395	16,898	5,503
Other financing sources (uses):				
Transfers in	3,040	3,040	3,044	4
Transfers out	(15,243)	(15,243)	(13,656)	1,587
	(12,203)	(12,203)	(10,612)	1,591
Net change in fund balances	\$ (808)	(808)	6,286	7,094

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Debt Service Fund – Nonmajor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 6,527	6,527	6,876	349
Licenses and permits	—	—	—	—
Intergovernmental	—	—	—	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	50	50	111	61
Miscellaneous	—	—	—	—
Total revenues	6,577	6,577	6,987	410
Expenditures:				
Current:				
General government	—	—	—	—
Convention and tourism	—	—	—	—
Parks and recreation	—	—	—	—
Judicial	—	—	—	—
Streets	—	—	—	—
Public safety:				
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	—	—	—	—
Capital outlay	—	—	—	—
Debt service	5,851	6,921	6,842	79
Total expenditures	5,851	6,921	6,842	79
Excess (deficiency) of revenues over (under) expenditures	726	(344)	145	489
Other financing sources (uses):				
Transfers in	—	—	96	96
Transfers out	—	—	—	—
	—	—	96	96
Net change in fund balances	\$ 726	(344)	241	585

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Capital Projects Fund – Major Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual

Year ended June 30, 2019

(Dollars in thousands)

	Original budget	Final revised budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 24,231	24,231	24,476	245
Licenses and permits	—	—	—	—
Intergovernmental	630	630	630	—
Charges for service, net	—	—	—	—
Court fines and forfeitures	—	—	—	—
Investment income	—	—	(13)	(13)
Miscellaneous	1,416	1,416	815	(601)
Total revenues	26,277	26,277	25,908	(369)
Expenditures:				
Current:				
General government	1,467	1,196	—	1,196
Convention and tourism	—	—	—	—
Parks and recreation	3,949	3,954	1,203	2,751
Judicial	—	—	—	—
Streets	7,611	8,083	4,554	3,529
Public safety:	—	—	—	—
Fire	—	—	—	—
Police	—	—	—	—
Other	—	—	—	—
Health and welfare	—	—	—	—
Public service	13,039	12,828	3,652	9,176
Capital outlay	27,100	27,238	8,680	18,558
Debt service	16,714	14,194	13,626	568
Total expenditures	69,880	67,493	31,715	35,778
Excess (deficiency) of revenues over (under) expenditures	(43,603)	(41,216)	(5,807)	35,409
Other financing sources (uses):				
Sale of capital assets	400	400	—	(400)
Transfers in	17,092	17,092	14,441	(2,651)
Transfers out	(3,993)	(6,380)	(6,313)	67
	13,499	11,112	8,128	(2,984)
Net change in fund balances	\$ (30,104)	(30,104)	2,321	32,425

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Schedule of Reconciling Items Between Change in Fund Balances – Budget Basis and Change in Fund Balances – GAAP Basis

Year ended June 30, 2019

(Dollars in thousands)

	Use Tax	Transportation	Convention and Tourism	Licensed Gaming Program	Assessor's Office	Lateral Sewer Program	Public Safety Trust	Public Safety Sales Tax I	Public Safety Sales Tax II	Parks and Recreation	Economic Development Sales Tax	Other Budgeted Special Revenue	Debt Service Fund	Capital Projects Fund
Net change in fund balances – budget basis	\$ 4,357	(7)	525	179	216	492	229	1,023	9,100	2,944	17,113	6,286	241	2,321
Differences – budget to GAAP:														
Revenues are recorded when received in cash on a budget basis. However, revenues are recorded when measurable and available on a GAAP basis.	(435)	(361)	191	(88)	—	(13)	43	379	(51)	(26)	(111)	636	53	(52)
Expenditures are recorded when paid in cash on a budget basis. However, expenditures are recorded when the obligation is incurred on a GAAP basis.	(297)	—	—	—	—	(134)	—	(687)	(90)	(23)	(15)	108	—	(52)
Certain activities and accounts, which are included within the funds on a GAAP basis, are not included within the annual operating budgets adopted by the Board of Alderman.	—	—	—	—	—	—	—	—	—	14	—	(87)	—	24,328
Net change in fund balances – GAAP basis	\$ <u>3,625</u>	<u>(368)</u>	<u>716</u>	<u>91</u>	<u>216</u>	<u>345</u>	<u>272</u>	<u>715</u>	<u>8,959</u>	<u>2,909</u>	<u>16,987</u>	<u>6,943</u>	<u>294</u>	<u>26,545</u>

See accompanying independent auditors' report.

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis.

Public Facilities Protection Corporation – Used to account for payment of workers' compensation and various other claims against legal actions on behalf of other funds.

Mailroom Services – Used to account for mail handling services provided to other funds.

Health – Used to account for payment of prescription drug claims for participants.

Equipment Services – Used to account for fuel services provided to other funds.

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Net Position
Internal Service Funds

June 30, 2019

(Dollars in thousands)

Assets	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Current assets:					
Cash and cash equivalents – unrestricted	\$ 5,387	—	11,162	(294)	16,255
Investments – unrestricted	—	—	1,660	—	1,660
Receivables, net of allowances:					
Charges for services	—	10	1,132	—	1,142
Prepaid assets	1,201	78	—	160	1,439
Due from other funds	5,997	—	201	359	6,557
Advance from other funds	33,614	—	—	—	33,614
Total current assets	46,199	88	14,155	225	60,667
Noncurrent assets:					
Capital assets	—	107	—	—	107
Less accumulated depreciation	—	(77)	—	—	(77)
Total capital assets (net of accumulated depreciation)	—	30	—	—	30
Total assets	46,199	118	14,155	225	60,697
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	—	1	—	887	888
Due to other funds	—	37	—	—	37
Due to other funds	—	83	—	—	83
Claims payable (due within one year)	20,042	—	1,240	—	21,282
Total current liabilities	20,042	121	1,240	887	22,290
Noncurrent liabilities:					
Claims payable (due over one year)	26,157	—	—	—	26,157
Total noncurrent liabilities	26,157	—	—	—	26,157
Total liabilities	46,199	121	1,240	887	48,447
Net Position					
Net investment in capital assets	—	30	—	—	30
Unrestricted	—	(33)	12,915	(662)	12,220
Total net position	\$ —	(3)	12,915	(662)	12,250

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds

Year ended June 30, 2019

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Operating revenues:					
Charges for services	\$ 14,165	574	20,480	3,140	38,359
Miscellaneous	1	—	—	—	1
Total operating revenues	14,166	574	20,480	3,140	38,360
Operating expenses:					
Claims incurred	9,547	—	16,323	668	26,538
Premiums	4,008	—	—	—	4,008
Personnel services	—	285	—	—	285
Material and supplies	—	12	—	3,106	3,118
Contractual services	611	256	—	—	867
Depreciation	—	11	—	—	11
Total operating expenses	14,166	564	16,323	3,774	34,827
Operating income (loss)	—	10	4,157	(634)	3,533
Nonoperating revenues (expenses):					
Investment income (loss)	—	—	31	—	31
Total nonoperating revenues (expenses), net	—	—	31	—	31
Income (loss) before capital contributions	—	10	4,188	(634)	3,564
Changes in net position	—	10	4,188	(634)	3,564
Net position – beginning of year	—	(13)	8,727	(28)	8,686
Net position – end of year	\$ —	(3)	12,915	(662)	12,250

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Cash Flows
Internal Service Funds

Year ended June 30, 2019

(Dollars in thousands)

	Public Facilities Protection Corporation	Mailroom Services	Health	Equipment Services	Total
Cash flows from operating activities:					
Receipts from interfund services provided	\$ 21,295	577	20,487	3,171	45,530
Payments to suppliers of goods and services	(19,472)	(286)	(16,283)	(3,477)	(39,518)
Payments to employees	—	(291)	—	—	(291)
Net cash provided by (used in) operating activities	1,823	—	4,204	(306)	5,721
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	—	—	—	—	—
Other capital and financing activities	—	—	—	—	—
Net cash provided by (used in) capital and related financing	—	—	—	—	—
Cash flows from investing activities:					
Purchase of investments	—	—	(11)	—	(11)
Proceeds from sales and maturities of investments	—	—	—	2	2
Net cash (used in) provided by investing activities	—	—	(11)	2	(9)
Net increase (decrease) in cash and cash equivalents	1,823	—	4,193	(304)	5,712
Cash and cash equivalents beginning of year	3,564	—	6,969	10	10,543
Cash and cash equivalents end of year	\$ 5,387	—	11,162	(294)	16,255
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ —	10	4,157	(634)	3,533
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	—	11	—	—	11
Change in assets and liabilities:					
Receivables, net	—	(10)	27	—	17
Due to/from other funds	309	13	(20)	31	333
Advance to other funds	6,821	—	—	—	6,821
Prepaid assets	218	(19)	—	(160)	39
Accounts payable and accrued liabilities	—	(5)	—	457	452
Claims payable	(5,525)	—	40	—	(5,485)
Total adjustments	1,823	(10)	47	328	2,188
Net cash provided by (used in) operating activities	\$ 1,823	—	4,204	(306)	5,721

See accompanying independent auditors' report.

Pension Trust Funds

Pension trust funds are used to account for the activity of the four public employee retirement systems for which the City acts as a trustee.

Firemen's System – The frozen single employer public employee retirement system fund used to account for the accumulation of resources to be used for the pension and other benefit payments for City firefighters.

Firefighters' Plan – A single employer public employee retirement system fund used to account for the accumulation of resources to be used for the pension and other benefit payments for City firefighters replacing the Firemen's System.

Police System – A single employer public employee retirement system fund used to account for the accumulation of resources to be used for pension and other benefit payments for City police officers.

Employees' System – A multi-employer public employee retirement system used to account for the accumulation of resources to be used for pension and other benefit payments for employees of the City (excluding firefighters and police officers) and other anticipating governmental agencies. City employees account for greater than 99% of total plan participants.

CITY OF ST. LOUIS, MISSOURI
Combining Statement of Fiduciary Net Position
Pension Trust Funds

June 30, 2019

(Dollars in thousands)

Assets	Firemen's System (as of September 30, 2018*)	Firefighter's Plan (as of September 30, 2018*)	Police System (as of September 30, 2018*)	Employees System (as of September 30, 2018*)	Total (as of September 30, 2018*)
Current assets:					
Cash and cash equivalents – unrestricted	\$ 3,801	222	8,343	386	12,752
Investments – unrestricted:					
Fixed income securities	13,108	14,357	60,195	87,437	175,097
Domestic bond funds	3,632	—	—	86,376	90,008
Stocks	169,058	42,724	196,300	216,848	624,930
Mortgage-backed securities	2,781	—	24,247	—	27,028
Collective investment funds	165,283	14,605	214,758	—	394,646
Real estate equities and investment trust	46,455	3,838	66,698	89,870	206,861
Investment property	—	—	890	—	890
Hedge funds	50,975	—	22,588	79,444	153,007
Money market funds and other short term obligations	7,637	1,986	44,119	3,600	57,342
Managed master limited partnership	19,114	—	160,423	79,235	258,772
Managed international equity funds	—	—	—	183,939	183,939
Total investments	478,043	77,510	790,218	826,749	2,172,520
Receivables, net of allowances:					
Contributions	—	—	—	87	87
Accrued interest	293	111	952	760	2,116
Other	3,712	38	381	—	4,131
Capital assets, net	393	109	191	—	693
Total assets	486,242	77,990	800,085	827,982	2,192,299
Deferred outflows of resources					
System's staff pension related	57	26	38	232	353
Total deferred outflows of resources	57	26	38	232	353
Total assets and deferred outflows of resources	486,299	78,016	800,123	828,214	2,192,652
Liabilities					
Accounts payable and accrued liabilities	341	161	741	859	2,102
Deposits held for others	25	—	626	—	651
Other liabilities	3,949	868	2,571	—	7,388
Total liabilities	4,315	1,029	3,938	859	10,141
Deferred inflows of resources					
System's staff pension related	5	2	25	—	32
Total deferred inflows of resources	5	2	25	—	32
Total liabilities and deferred inflows of resources	4,320	1,031	3,963	859	10,173
Net position					
Net position restricted for pension benefits	\$ 481,979	76,985	796,160	827,355	2,182,479

* See note 10.

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds

Year ended June 30, 2019

(Dollars in thousands)

	Firemen's System (as of September 30, 2018*)	Firefighter's Plan (as of September 30, 2018*)	Police System (as of September 30, 2018*)	Employees System (as of September 30, 2018*)	Total (as of September 30, 2018*)
Additions:					
Contributions:					
Member	\$ —	3,172	4,601	58	7,831
Employer	2,715	8,023	33,633	29,361	73,732
Investment income:					
Interest and dividends	6,711	947	8,774	9,900	26,332
Class action lawsuit proceeds	62	—	12	—	74
Net appreciation in fair value of investments	20,021	5,058	45,168	44,615	114,862
Investment gain	26,794	6,005	53,954	54,515	141,268
Less investment expense	(2,024)	(322)	(2,865)	(5,744)	(10,955)
Net investment gain	24,770	5,683	51,089	48,771	130,313
Total additions	27,485	16,878	89,323	78,190	211,876
Deductions:					
Benefits	32,655	590	63,603	66,789	163,637
Refunds of contributions	649	156	4,973	—	5,778
Administrative expense	1,050	414	1,166	962	3,592
Total deductions	34,354	1,160	69,742	67,751	173,007
Net increase	(6,869)	15,718	19,581	10,439	38,869
Net position restricted for pension benefits:					
Beginning of year	488,848	61,267	776,579	816,916	2,143,610
End of year	\$ 481,979	76,985	796,160	827,355	2,182,479

* See note 10.

See accompanying independent auditors' report.

Agency Funds

Agency funds are used to account for assets which the City holds on behalf of other entities. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Collector of Revenue – Used to account for the receipt and disbursement of various taxes and other charges that are collected by the Collector of Revenue and remitted to various City funds and other governmental agencies that levy taxes on residents of the City and on corporations located within the City limits and the employees.

Property Tax Escrow – Used to account for property taxes paid under protest whose disposition is still pending and duplicate payments of property taxes which have not been claimed.

General Insurance – Used to control funds for payroll withholdings and other City deposits to be used for the payment of insurance premiums due from employees and the City.

Bail Bonds – Used to account for bail bonds deposited by court defendants. The bonds are held until court orders are issued to refund the bonds to the defendants or others.

License Collector – Used to account for the receipt and disbursement of municipal manufacturer's and hotel taxes that are collected by the License Collector and remitted to various City funds and other governmental agencies.

Circuit Clerk – Used to account for funds held in a fiduciary capacity by the Circuit Clerk's Office. These funds include various litigation fees, garnishments, and bail bonds, in addition to funds related to the parent locator program.

Police Agency – Used to account for funds held for police athletic league.

Treasurer's Office – Used to account for funds held to be used for the College Kids Children's Savings Account Program.

Other Agency – Used to account for contracts and other deposits, union dues, land auction sales, circuit attorney and probate court funds.

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Fiduciary Net Assets
Agency Funds

June 30, 2019

(Dollars in thousands)

	Collector of Revenue	Property Tax Escrow	General Insurance	Bail Bonds	License Collector	Circuit Clerk	Police Agency	Treasurer's Office	Other Agency	Total
Assets:										
Cash and cash equivalents – unrestricted	\$ 1,895	1,494	—	262	3,354	7,509	2,636	—	9,689	26,839
Cash and cash equivalents – restricted	—	—	—	—	—	45	—	269	—	314
Investments – restricted	—	—	—	—	—	—	—	552	—	552
Receivables, net of allowances:										
Taxes	20,261	—	—	—	—	—	—	—	—	20,261
Other	—	—	680	—	—	—	—	—	—	680
Total assets	22,156	1,494	680	262	3,354	7,554	2,636	821	9,689	48,646
Liabilities:										
Accounts payable and accrued liabilities	—	—	680	—	—	—	—	—	3,418	4,098
Deposits held for others	—	1,494	—	262	2,037	6,166	186	821	4,249	15,215
Due to other governmental agencies	22,156	—	—	—	1,317	1,388	2,450	—	2,022	29,333
Total liabilities	22,156	1,494	680	262	3,354	7,554	2,636	821	9,689	48,646
Net assets	\$ —	—	—	—	—	—	—	—	—	—

See accompanying independent auditors' report.

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Changes in
Assets and Liabilities – Agency Funds

Year ended June 30, 2019

(Dollars in thousands)

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Collector of Revenue				
Assets:				
Cash and cash equivalents – unrestricted	\$ 1,665	434,271	(434,041)	1,895
Receivables, net of allowances – taxes	19,445	9,291	(8,475)	20,261
Total assets	<u>\$ 21,110</u>	<u>443,562</u>	<u>(442,516)</u>	<u>22,156</u>
Liabilities – due to other governmental agencies	\$ 21,110	443,562	(442,516)	22,156
Total liabilities	<u>\$ 21,110</u>	<u>443,562</u>	<u>(442,516)</u>	<u>22,156</u>
Property Tax Escrow				
Assets – cash and cash equivalents – unrestricted	<u>\$ 1,874</u>	<u>2,353</u>	<u>(2,733)</u>	<u>1,494</u>
Liabilities – deposits held for others	<u>\$ 1,874</u>	<u>2,353</u>	<u>(2,733)</u>	<u>1,494</u>
General Insurance				
Assets:				
Cash and cash equivalents – unrestricted	\$ —	48,121	(48,121)	—
Receivables, net of allowances – other	716	680	(716)	680
Total assets	<u>\$ 716</u>	<u>48,801</u>	<u>(48,837)</u>	<u>680</u>
Liabilities – accounts payable and accrued liabilities	<u>\$ 716</u>	<u>48,801</u>	<u>(48,837)</u>	<u>680</u>
Bail Bonds				
Assets – cash and cash equivalents – unrestricted	<u>\$ 391</u>	<u>392</u>	<u>(521)</u>	<u>262</u>
Liabilities – deposits held for others	<u>\$ 391</u>	<u>392</u>	<u>(521)</u>	<u>262</u>
License Collector				
Assets – cash and cash equivalents – unrestricted	<u>\$ 3,199</u>	<u>22,370</u>	<u>(22,215)</u>	<u>3,354</u>
Liabilities:				
Deposits held for others	1,992	46	(1)	2,037
Due to other governmental agencies	1,207	22,324	(22,214)	1,317
Total liabilities	<u>\$ 3,199</u>	<u>22,370</u>	<u>(22,215)</u>	<u>3,354</u>
Circuit Clerk				
Assets:				
Cash and cash equivalents – unrestricted	\$ 6,925	21,911	(21,327)	7,509
Cash and cash equivalents – restricted	45	—	—	45
Total assets	<u>\$ 6,970</u>	<u>21,911</u>	<u>(21,327)</u>	<u>7,554</u>
Liabilities:				
Deposits held for others	\$ 5,679	18,276	(17,789)	6,166
Due to other governmental agencies	1,291	3,638	(3,541)	1,388
Total liabilities	<u>\$ 6,970</u>	<u>21,914</u>	<u>(21,330)</u>	<u>7,554</u>

Schedule 28, Continued

CITY OF ST. LOUIS, MISSOURI

Combining Statement of Changes in
Assets and Liabilities – Agency Funds

Year ended June 30, 2019

(Dollars in thousands)

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Police Agency				
Assets:				
Cash and cash equivalents – unrestricted	\$ 2,487	649	(500)	2,636
Total assets	<u>\$ 2,487</u>	<u>649</u>	<u>(500)</u>	<u>2,636</u>
Liabilities:				
Deposits held for others	\$ 205	225	(244)	186
Due to other governmental agencies	<u>2,282</u>	<u>424</u>	<u>(256)</u>	<u>2,450</u>
Total liabilities	<u>\$ 2,487</u>	<u>649</u>	<u>(500)</u>	<u>2,636</u>
Treasurer's Office				
Assets:				
Cash and cash equivalents – restricted	\$ 642	237	(610)	269
Investments – restricted	<u>—</u>	<u>552</u>	<u>—</u>	<u>552</u>
Total assets	<u>\$ 642</u>	<u>789</u>	<u>(610)</u>	<u>821</u>
Liabilities:				
Deposits held for others	<u>642</u>	<u>789</u>	<u>(610)</u>	<u>821</u>
Total liabilities	<u>\$ 642</u>	<u>789</u>	<u>(610)</u>	<u>821</u>
Other Agency				
Assets:				
Cash and cash equivalents – unrestricted	\$ 16,989	38,480	(45,780)	9,689
Total assets	<u>\$ 16,989</u>	<u>38,480</u>	<u>(45,780)</u>	<u>9,689</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 11,310	(4,206)	(3,686)	3,418
Deposits held for others	<u>4,553</u>	<u>11,176</u>	<u>(11,480)</u>	<u>4,249</u>
Due to other governmental agencies	<u>1,126</u>	<u>31,510</u>	<u>(30,614)</u>	<u>2,022</u>
Total liabilities	<u>\$ 16,989</u>	<u>38,480</u>	<u>(45,780)</u>	<u>9,689</u>
Total – All Agency Funds				
Assets:				
Cash and cash equivalents – unrestricted	\$ 33,530	568,547	(575,238)	26,839
Cash and cash equivalents – restricted	<u>687</u>	<u>237</u>	<u>(610)</u>	<u>314</u>
Investments – restricted	<u>—</u>	<u>552</u>	<u>—</u>	<u>552</u>
Receivables, net of allowances:				
Taxes	<u>19,445</u>	<u>9,291</u>	<u>(8,475)</u>	<u>20,261</u>
Other	<u>716</u>	<u>680</u>	<u>(716)</u>	<u>680</u>
Total assets	<u>\$ 54,378</u>	<u>579,307</u>	<u>(585,039)</u>	<u>48,646</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 12,026	44,595	(52,523)	4,098
Deposits held for others	<u>15,336</u>	<u>33,257</u>	<u>(33,378)</u>	<u>15,215</u>
Due to other governmental agencies	<u>27,016</u>	<u>501,458</u>	<u>(499,141)</u>	<u>29,333</u>
Total liabilities	<u>\$ 54,378</u>	<u>579,310</u>	<u>(585,042)</u>	<u>48,646</u>

See accompanying independent auditors' report.

Statistical Section

This part of the City of St. Louis' (the City's) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about The City's overall financial health. The tables within the Statistical Section are unaudited.

Contents	Table Numbers
Primary Government:	
Financial Trends	1–4
<i>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	5–10
<i>These tables contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	11–15
<i>These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	16
<i>These tables offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.</i>	
Operating Information	17–20
<i>These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

CITY OF ST. LOUIS, MISSOURI

Net Position by Component

Last Ten Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Primary government:										
Governmental activities:										
Net investments in capital assets	\$ 480,529	501,157	506,299	522,729	545,075	534,961	502,818	495,977	472,165	453,220
Restricted	100,840	106,730	63,491	27,314	25,783	32,344	30,799	31,822	34,179	29,390
Unrestricted	(1,470,114)	(1,530,580)	(1,240,785)	(1,119,296)	(1,044,723)	(717,233)	(494,518)	(443,552)	(407,047)	(392,115)
Total governmental activities net position	(888,745)	(922,693)	(670,995)	(569,253)	(473,865)	(149,928)	39,099	84,247	99,297	90,495
Business-type activities:										
Net investments in capital assets	1,072,297	1,124,303	785,214	918,588	1,055,441	1,033,787	1,033,922	1,014,901	1,075,403	1,071,899
Restricted	192,177	101,879	419,356	277,199	138,598	148,170	149,699	150,661	166,462	163,449
Unrestricted	98,764	111,332	112,925	118,178	108,841	108,851	104,834	100,521	18,072	23,375
Total business-type activities net position	1,363,238	1,337,514	1,317,495	1,313,965	1,302,880	1,290,808	1,288,455	1,266,083	1,259,937	1,258,723
Total primary government:										
Net investments in capital assets	1,552,826	1,625,460	1,291,513	1,441,317	1,055,441	1,568,748	1,536,740	1,510,878	1,547,568	1,525,119
Restricted	293,017	208,609	482,847	304,513	138,598	180,514	180,498	182,483	200,641	192,839
Unrestricted	(1,371,350)	(1,419,248)	(1,127,860)	(1,001,118)	(365,024)	(608,382)	(389,684)	(343,031)	(388,975)	(368,740)
Total primary government net position	\$ 474,493	414,821	646,500	744,712	829,015	1,140,880	1,327,554	1,350,330	1,359,234	1,349,218

Source: Basic financial statements.

Table 2

CITY OF ST. LOUIS, MISSOURI

Changes in Net Position

Last Ten Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
Governmental activities:										
General government	\$ 65,208	58,416	83,029	66,403	58,679	94,791	73,204	72,063	79,871	84,330
Convention and tourism	4,580	5,193	5,801	5,789	5,775	5,711	5,513	4,979	4,563	4,507
Parks and recreation	31,549	30,316	31,695	31,390	30,111	31,765	30,818	28,529	29,416	32,778
Judicial	48,730	48,902	49,587	51,085	50,730	52,009	52,232	50,931	52,362	54,880
Streets	78,396	74,304	75,329	75,707	73,452	69,584	68,402	70,420	66,952	66,263
Public safety:										
Fire	78,063	80,495	92,422	88,008	64,658	86,085	75,460	69,062	66,637	67,334
Police	234,242	243,213	280,295	226,537	202,080	209,762	138,028	140,815	139,010	141,805
Police pension	—	—	—	—	—	—	28,492	19,854	17,949	14,902
Other	64,540	59,999	60,714	60,647	58,714	59,323	61,264	59,068	52,182	55,980
Health and welfare	54,682	55,750	56,020	57,112	54,071	49,602	61,162	52,092	50,468	51,552
Public service	80,549	80,843	79,680	79,451	78,021	76,863	62,301	71,458	65,898	59,980
Community development	66,555	59,514	47,270	82,459	65,499	35,238	77,530	80,184	68,123	76,264
Interest and fiscal charges	59,025	59,259	58,378	60,049	60,580	58,009	57,674	59,750	58,612	57,933
Total governmental activities expenses	866,119	856,204	920,220	884,637	802,370	828,742	792,080	779,205	752,043	768,508
Business-type activities:										
Airport	164,972	164,575	176,892	165,756	160,233	175,058	173,968	171,574	187,449	181,775
Water division	49,008	50,371	49,039	46,799	46,799	50,184	45,799	43,637	44,530	43,479
Parking division	15,046	15,000	16,520	15,253	13,851	14,043	13,558	13,229	13,141	13,514
Total business-type activities expenses	229,026	229,946	242,451	230,735	220,883	239,285	233,325	228,440	245,120	238,768
Total primary government expenses	\$ 1,095,145	1,086,150	1,162,671	1,115,372	1,023,253	1,068,027	1,025,405	1,007,645	997,163	1,007,276
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 47,626	42,203	44,435	42,132	32,455	34,783	33,375	36,697	37,767	39,340
Convention and tourism	—	—	—	—	—	—	—	8	19	18
Parks and recreation	6,858	4,762	5,139	5,328	4,611	5,979	2,958	7,314	4,378	4,419
Judicial	11,954	9,178	6,347	9,746	12,042	23,076	21,542	18,996	20,524	20,791
Streets	32,000	31,068	27,562	27,330	26,898	26,110	26,012	27,514	34,842	17,644
Public safety:										
Fire	16,116	12,152	10,829	10,246	12,562	9,553	18,887	8,181	8,088	7,677
Police	2,736	3,905	2,831	4,051	6,228	5,260				
Other	24,190	29,205	22,115	23,533	21,376	20,639	19,537	19,218	17,527	19,022
Health and welfare	925	917	1,364	1,073	875	1,631	1,041	992	1,255	591
Public service	4,173	5,142	5,341	5,977	6,974	6,037	2,906	5,265	309	1,487
Community development	6,260	24,590	7,774	7,076	5,907	4,412	5,332	5,367	4,819	4,528
Operating grants and contributions	59,288	62,307	66,793	67,052	60,792	57,173	64,782	71,513	75,281	98,270
Capital grants and contributions	4,917	7,898	15,134	6,524	7,987	5,628	14,882	31,623	33,666	7,548
Total governmental activities program revenues	217,043	233,327	215,664	210,068	198,707	200,281	211,254	232,688	238,475	221,335
Business-type activities:										
Charges for services:										
Airport	170,033	163,565	169,004	162,837	164,745	165,927	164,606	157,154	149,438	160,378
Water Division	53,269	55,405	54,620	57,494	54,399	56,647	56,902	58,631	56,039	50,983
Parking Division	18,857	17,947	18,032	17,113	16,129	15,804	14,657	14,999	13,813	12,428
Operating grants and contributions	697	826	1,136	692	1,277	706	751	1,069	1,513	1,615
Capital grants and contributions	23,964	20,508	11,937	9,378	23,627	16,726	21,615	10,050	8,267	31,815
Total business-type activities program revenues	266,820	258,251	254,729	247,514	260,177	255,810	258,531	241,903	229,070	257,219
Total primary government program revenues	\$ 483,863	491,578	470,393	457,582	458,884	456,091	469,785	474,591	467,545	478,554

** Fiscal years 2008 and 2009 Community development revenues reflect TIF revenues previously reported under General government in prior fiscal years.

(Continued)

Table 2, Continued

CITY OF ST. LOUIS, MISSOURI

Changes in Net Position

Last Ten Fiscal Years
(dollars in thousands)

(accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net program (expense) revenue:										
Governmental activities	\$ (649,076)	(622,877)	(704,556)	(674,569)	(603,663)	(628,461)	(580,826)	(546,517)	(513,568)	(547,173)
Business-type activities	37,794	28,305	12,278	16,779	39,294	16,525	25,206	13,463	(16,050)	18,451
Total primary government net expense	\$ (611,282)	(594,572)	(692,278)	(657,790)	(564,369)	(611,936)	(555,620)	(533,054)	(529,618)	(528,722)
General revenues and other changes in net position:										
Governmental activities:										
Taxes										
Property taxes, levied for general purpose	\$ 90,355	88,574	86,542	82,397	77,365	75,136	73,234	68,531	66,767	67,291
Property taxes, levied for debt service	7,712	6,872	6,984	6,251	6,406	6,661	7,140	5,909	7,669	6,463
Sales tax	231,436	204,608	179,075	179,362	175,581	173,018	157,302	164,174	155,708	142,295
Earnings/payroll taxes	230,627	218,338	223,018	204,013	203,251	202,022	189,762	186,068	178,571	172,450
Gross receipt taxes (includes franchise tax)	91,307	94,046	90,145	91,778	92,160	97,344	94,721	93,587	97,327	90,291
Miscellaneous taxes	4,165	5,567	5,068	4,791	4,485	4,977	3,784	4,504	4,080	3,902
Unrestricted investment earnings	5,155	519	621	632	381	364	265	470	953	886
Gain/loss on sale of capital assets	—	—	—	—	—	—	—	(1,142)	2,528	62
Transfers	22,267	10,411	11,361	9,957	9,619	9,431	9,470	9,366	8,767	7,317
Total governmental activities	683,024	628,935	602,814	579,181	569,248	568,953	535,678	531,467	522,370	490,957
Business-type activities:										
Unrestricted investment earnings	10,197	2,125	2,613	3,585	2,956	1,818	2,336	2,049	2,941	3,878
Gain/loss on sale of capital assets	—	—	—	—	—	4,872	—	—	4	553
Extraordinary item – Natural disaster	—	—	—	678	1,737	2,730	4,300	—	23,086	—
Transfers	(22,267)	(10,411)	(11,361)	(9,957)	(9,619)	(9,431)	(9,470)	(9,366)	(8,767)	(6,906)
Total business-type activities	(12,070)	(8,286)	(8,748)	(5,694)	(4,926)	(11)	(2,834)	(7,317)	17,264	(2,475)
Total primary government	\$ 670,954	620,649	594,066	573,487	564,322	568,942	532,844	524,150	539,634	488,482
Change in net position:										
Governmental activities:	\$ 33,948	6,058	(101,742)	(95,388)	(34,415)	(59,508)	(45,148)	(15,050)	8,802	(56,216)
Business-type activities	25,724	20,019	3,530	11,085	34,368	16,514	22,372	6,146	1,214	15,976
Total primary government	\$ 59,672	26,077	(98,212)	(84,303)	(47)	(42,994)	(22,776)	(8,904)	10,016	(40,240)

Source: Basic financial statements.

Table 3

CITY OF ST. LOUIS, MISSOURI

Fund Balances, Governmental Funds

Last Ten Fiscal Years
(dollars in thousands)

(modified accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General fund:										
Nonspendable	\$ 5,785	2,379	3,608	3,768	2,425	2,537	—	—	—	*
Restricted	15,586	18,709	13,145	13,532	14,852	16,008	14,784	16,755	16,723	*
Committed	28,027	1,020	—	10,136	9,134	8,054	8,054	8,063	6,895	*
Assigned	—	—	—	—	3,938	6,521	6,043	1,509	1,055	*
Unassigned	35,327	15,868	1,529	(5,150)	(1,696)	2,605	25,777	29,543	24,675	*
Reserved	—	—	—	—	—	—	—	—	—	31,284
Unreserved	—	—	—	—	—	—	—	—	—	22,132
Total general fund	<u>\$ 84,725</u>	<u>37,976</u>	<u>18,282</u>	<u>22,286</u>	<u>28,653</u>	<u>35,725</u>	<u>54,658</u>	<u>55,870</u>	<u>49,348</u>	<u>53,416</u>
All other governmental funds:										
Nonspendable	\$ 11	11	11	11	11	14	11	11	11	*
Restricted	169,878	133,714	112,175	93,231	84,500	96,160	71,117	79,573	131,102	*
Committed	100,475	76,760	69,322	70,387	64,075	65,536	57,127	54,553	54,678	*
Assigned	11,250	8,112	4,121	4,770	6,379	5,053	4,473	1,837	3,200	*
Unassigned	(17,940)	(19,322)	(17,059)	(18,057)	(18,227)	(24,025)	(24,648)	(20,103)	(26,752)	*
Reserved	—	—	—	—	—	—	—	—	—	181,410
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	—	—	—	—	19,342
Capital projects funds	—	—	—	—	—	—	—	—	—	(13,961)
Total all other governmental funds	<u>\$ 263,674</u>	<u>199,275</u>	<u>168,570</u>	<u>150,342</u>	<u>136,738</u>	<u>142,738</u>	<u>108,080</u>	<u>115,871</u>	<u>162,239</u>	<u>186,791</u>

* Effective July 1, 2011 the City adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Source: Basic financial statements.

Table 4

CITY OF ST. LOUIS, MISSOURI
 Changes In Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (dollars in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Taxes	\$ 650,164	617,282	585,773	564,488	556,593	557,487	524,428	519,852	510,150	480,082
Licenses, fees and permits	27,263	30,920	26,441	26,947	26,743	26,004	24,359	21,259	21,716	24,214
Intergovernmental	100,886	102,340	109,353	100,946	97,684	88,069	107,289	130,079	138,141	117,084
Charges for services, net	56,412	53,215	48,313	51,048	47,222	49,867	52,347	46,166	44,659	30,906
Court fines and forfeitures	3,206	3,114	3,388	4,009	4,916	10,810	11,022	12,103	10,848	11,558
Investment income	5,155	519	621	632	381	364	265	470	953	886
Interfund services provided	4,101	4,040	4,847	4,488	858	3,464	5,531	4,293	4,631	3,043
Miscellaneous	22,875	37,524	17,845	20,915	19,234	19,584	13,514	17,651	15,845	15,987
Total revenues	870,062	848,954	796,581	773,473	753,631	755,649	738,755	751,873	746,943	683,760
Expenditures:										
General government	63,329	55,645	71,572	59,708	65,648	84,648	63,980	60,942	67,400	77,906
Convention and tourism	123	120	119	124	126	123	116	150	189	176
Parks and recreation	25,553	24,134	25,945	25,805	25,169	26,553	25,689	23,885	25,153	27,357
Judicial	48,794	48,654	49,363	51,026	50,058	51,491	51,849	50,821	52,498	53,985
Streets	43,120	40,283	42,571	42,743	40,645	37,867	37,378	40,772	39,498	37,356
Public Safety:										
Fire	76,659	75,831	73,099	67,229	68,415	74,261	71,595	69,887	68,518	66,590
Police	202,359	192,609	190,422	183,337	179,129	176,089	138,004	140,815	139,010	141,805
Police-pension	—	—	—	—	—	—	28,492	19,719	17,949	14,783
Other	63,836	59,478	59,808	60,407	58,242	58,736	60,178	58,741	51,899	54,653
Health and welfare	54,390	55,587	55,839	56,859	53,808	49,207	60,709	51,855	50,127	51,230
Public service	79,879	80,401	79,224	78,689	77,334	76,211	61,519	70,840	65,916	59,315
Community development	66,555	59,514	47,270	82,459	65,499	35,238	77,530	80,184	68,123	76,264
Capital outlay	27,951	61,289	47,607	38,322	31,560	35,444	36,914	90,065	94,653	51,175
Debt service:										
Principal	57,368	81,002	59,653	55,697	65,602	—	55,209	54,952	58,091	46,721
Interest and fiscal charges	53,145	53,058	52,322	53,768	48,510	64,316	47,154	47,256	46,283	54,555
Cost of issuance	—	—	—	—	—	44,375	—	—	—	—
Advance refunding escrow	—	—	2,010	2,380	—	—	—	—	—	1,178
Total expenditures	863,061	887,605	856,824	858,553	829,745	814,559	816,316	860,884	845,307	815,049
Excess (deficiency) of revenues over expenditures	7,001	(38,651)	(60,243)	(85,080)	(76,114)	(58,910)	(77,561)	(109,011)	(98,364)	(131,289)

* Police pension expenses under Governmental activities were reclassified in fiscal years 2008 and 2009. In prior fiscal years, this expense was included in Public Safety-Other. See accompanying notes to basic financial statements.

(Continued)

Table 4, Continued

CITY OF ST. LOUIS, MISSOURI
Changes In Fund Balances, Governmental Funds
Last Ten Fiscal Years
(dollars in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Other financing sources (uses):										
Sale of capital assets	\$ 144	6	190	—	1,849	207	3	345	3,216	62
Issuance of SLMFC Certificates of participation	—	—	—	—	5,195	—	—	—	—	—
Issuance of refunding bonds-revenue refunding bonds	—	—	—	—	—	—	—	49,825	2,690	—
Issuance of refunding bonds-leasehold revenue bonds	—	25,735	90,167	—	31,695	26,000	—	—	9,250	74,191
Issuance of contractual obligation with component unit	—	53,605	—	—	—	—	—	—	—	16,960
Premium on leasehold revenue bonds	—	—	—	49,441	—	1,471	1,890	4,038	145	396
Discount on leasehold revenue bonds	—	—	(131)	—	—	—	—	—	—	(384)
Proceeds from agreement with FPF	—	9,825	7,695	5,000	—	—	—	—	—	—
Issuance of general obligation bonds	46,410	—	25,000	16,795	—	—	—	—	—	—
Premium on general obligation bonds and revenue bonds	5,023	5,234	12,171	5,434	3,782	—	—	—	—	—
Issuance of capital lease	7,000	2,250	—	—	—	16,605	—	2,384	11,150	704
Issuance of tax increment revenue notes	—	—	14,306	49,757	49,917	10,852	57,195	51,101	46,503	28,352
Issuance of refunding development and tax increment financing notes	23,303	13,187	9,050	—	—	—	—	—	—	—
Payment for refunding of development and TIF notes	—	(7,015)	—	—	(3,442)	—	—	—	4,580	—
Discount on tax increment revenue bonds	—	—	—	—	(11)	—	—	—	—	—
Issuance of loan agreement	—	—	—	—	2,080	3,510	—	—	—	—
Issuance of joint venture financing agreement	—	980	—	—	—	—	—	—	—	—
Payment to refunded escrow agent-leasehold revenue bonds	—	(25,168)	(91,780)	(44,067)	(37,642)	—	—	(53,172)	(2,416)	(12,391)
Payment of development and tax increment financing notes	—	—	(9,050)	—	—	—	—	—	—	—
Payment of refunded escrow agent-capital lease	—	—	—	—	—	—	—	—	(11,931)	(341)
Fireman's Retirement EAN note proceeds	—	—	—	—	—	—	—	5,278	—	—
Advance refunding on TIF bonds and notes payable	—	—	—	—	—	—	—	—	—	(16,961)
Receipt of redevelopment lease proceeds from component unit	—	—	—	—	—	—	—	—	—	18,006
Transfers in	73,806	63,943	64,790	65,731	61,946	68,121	62,143	62,920	53,467	58,575
Transfers out	(51,539)	(53,532)	(53,429)	(55,774)	(52,327)	(58,690)	(52,673)	(53,554)	(46,910)	(50,549)
Total other financing sources, net	104,147	89,050	68,979	92,317	63,042	68,076	68,558	69,165	69,744	116,620
Net change in fund balances	\$ 111,148	50,399	8,736	7,237	(13,072)	9,166	(9,003)	(39,846)	(28,620)	(14,669)
Debt service as a percentage of noncapital expenditures	13.2 %	16.2 %	13.8 %	13.3 %	14.3 %	8.3 %	13.1 %	13.3 %	13.9 %	13.3 %
Debt service expenditures	\$ 110,513	134,060	111,975	109,465	114,112	64,316	102,363	102,208	104,374	101,276
Noncapital expenditures	835,110	826,316	809,217	820,231	798,185	779,115	779,402	770,819	750,654	763,874

Source: Basic financial statements.

Table 5

CITY OF ST. LOUIS, MISSOURI

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years
(dollars in thousands)

Fiscal year	Real Estate		Personal property	Manufacturer's machinery, tools and equipment	Less: tax-exempt property	Total taxable assessed value	Estimated actual taxable value	Total direct tax rate	Taxable assessed value to estimated actual taxable value
	Residential	Commercial							
2019	\$ 2,281,977	2,721,338	816,009	182,030	1,419,676	4,581,679	18,607,927	1.6252	24.6 %
2018	2,243,128	2,724,759	812,911	176,763	1,374,775	4,582,786	18,554,812	1.5933	24.7
2017	2,075,196	2,708,997	811,949	168,051	1,443,328	4,320,865	17,784,543	1.6231	24.3
2016	2,083,783	2,543,883	835,238	243,122	1,333,027	4,372,999	17,356,913	1.6158	25.2
2015	1,980,203	2,599,573	810,313	255,068	1,343,072	4,302,085	17,033,118	1.6063	25.3
2014	1,968,547	2,528,334	753,790	255,595	1,273,384	4,232,882	16,787,744	1.6092	25.2
2013	2,161,657	2,452,348	737,422	216,902	1,195,359	4,372,970	17,614,380	1.4848	24.8
2012	2,197,419	2,499,166	705,441	238,661	1,282,753	4,357,934	17,543,141	1.4691	24.8
2011	2,281,376	2,542,399	723,739	221,519	1,281,865	4,487,168	18,126,314	1.4224	24.8
2010	2,206,698	2,688,333	781,557	254,873	1,381,310	4,550,151	18,144,398	1.3601	25.1

Note:

Residential real property is assessed at 19% of estimated value, commercial at 32%, and agricultural at 12%; personal property and manufacturer's machinery, tools and equipment assessed at 33-1/3%. A complete reassessment is made on personal property by the Assessor every year and every odd year for real property.

Source: City of St. Louis Assessor's Office

Table 6

CITY OF ST. LOUIS, MISSOURI
Property Tax Rates Per \$100 Assessed Value – Direct and Overlapping Governments
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City of St. Louis:										
Municipal purposes	\$ 1.0011	0.9799	1.0000	0.9928	0.9833	0.9772	0.9071	0.9002	0.8639	0.8500
County purposes	0.3504	0.3429	0.3500	0.3500	0.3500	0.3500	0.3270	0.3247	0.3113	0.3064
Hospital purposes	0.1002	0.0980	0.1000	0.1000	0.1000	0.1000	0.0933	0.0926	0.0888	0.0874
Public health purposes	0.0201	0.0196	0.0200	0.0200	0.0200	0.0200	0.0187	0.0186	0.0178	0.0175
Recreation purposes	0.0201	0.0196	0.0200	0.0200	0.0200	0.0200	0.0187	0.0186	0.0178	0.0175
Interest and public debt	0.1333	0.1333	0.1331	0.1330	0.1330	0.1420	0.1200	0.1144	0.1228	0.0813
Total City of St. Louis	1.6252	1.5933	1.6231	1.6158	1.6063	1.6092	1.4848	1.4691	1.4224	1.3601
Overlapping Governments:										
State Blind Pension Fund	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Board of Education of the City of St. Louis	5.1371	5.0342	5.1211	4.3711	4.3711	4.3711	4.4071	4.1743	3.9865	3.8943
St. Louis Community College	0.2129	0.2112	0.2185	0.2176	0.2200	0.2200	0.2200	0.2200	0.2179	0.2136
Metropolitan St. Louis Sewer District	0.1170	0.1159	0.1196	0.0876	0.0879	0.0874	0.0821	0.0818	0.0790	—
Sheltered Workshop District	0.1391	0.1472	0.1500	0.1500	0.1500	0.1500	0.1460	0.1445	0.1372	0.1346
St. Louis Public Library	0.5584	0.5496	0.5600	0.5600	0.5600	0.5600	0.5814	0.5435	0.5208	0.5019
Community Mental Health	0.0893	0.0883	0.0900	0.0900	0.0900	0.0900	0.0876	0.0867	0.0823	0.0800
Community Children's Service Fund	0.1886	0.1865	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1880	0.1827
Senior Services:	0.0500	0.0500	—	—	—	—	—	—	—	—
Metropolitan Zoological Park and Museum District:										
Zoological Subdistrict	0.0777	0.0768	0.0799	0.0793	0.0800	0.0800	0.0769	0.0764	0.0727	0.0714
Art Museum Subdistrict	0.0777	0.0768	0.0799	0.0793	0.0800	0.0800	0.0769	0.0764	0.0727	0.0714
Museum of Science and Natural History Subdistrict	0.0390	0.0386	0.0399	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355
Botanical Garden Subdistrict	0.0390	0.0386	0.0399	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355
Missouri History Museum Subdistrict	0.0390	0.0386	0.0399	0.0397	0.0399	0.0399	0.0382	0.0381	0.0364	0.0355
Total overlapping governments	6.7948	6.6823	6.7587	5.9740	5.9787	5.9782	6.0126	5.7379	5.4963	5.2864
Total City of St. Louis and overlapping governments	\$ 8.4200	8.2756	8.3818	7.5898	7.5850	7.5874	7.4974	7.2070	6.9187	6.6465

Source: City Assessor's Office.

Table 7

CITY OF ST. LOUIS, MISSOURI

Principal Property Tax Payers Identified by Industry Classification
 Current Calendar Year and Nine Years Ago
 (dollars in thousands)

Tax payer by industry classification (1)	Calendar year 2018			Calendar year 2009		
	Taxable assessed valuation	Rank	Percentage of total city taxable assessed valuation	Taxable assessed valuation	Rank	Percentage of total city taxable assessed valuation
Utilities	\$ 93,501	1	2.13 %	\$ 92,860	1	2.16 %
Financial Services	81,888	2	1.86	44,559	6	1.04
Gaming	75,079	3	1.71	77,199	3	1.80
Utilities	62,097	4	1.41	30,587	8	0.71
Manufacturing	61,010	5	1.39	81,323	2	1.89
Telecommunications	59,843	6	1.36	69,102	4	1.61
Manufacturing	28,266	7	0.64			
Retail	25,941	8	0.59			
Financial Services	25,334	9	0.58			
Property Management	23,264	10	0.53			
Telecommunications				66,285	5	1.54
Property Management				36,400	7	0.85
Healthcare Services				29,540	9	0.69
Transportation				27,740	10	0.65
	<u>\$ 536,223</u>		<u>12.20 %</u>	<u>\$ 555,595</u>		<u>12.94 %</u>

Note:

(1) Taxpayer confidentiality prevents the disclosure of amounts by company name. The above information is individual taxpayers within the noted industry categories.

Source: City Assessor's Office and Collector of Revenue

Table 8

CITY OF ST. LOUIS, MISSOURI

General and Debt Service Funds – Property Tax Levies And Collections -

Last Ten Fiscal Years
(dollars in thousands)

(1) Fiscal year ended June 30	Taxes levied for the fiscal year	Collected within the Fiscal Year of the Levy		Fiscal Year collections related to prior year levies	Total collections to date	
		(2) Amount	Percentage of levy		Amount	Percentage of levy
2019	\$ 68,995	64,609	93.6 %	—	64,609	93.6 %
2018	67,567	63,117	93.4	2,157	65,274	96.6
2017	65,035	60,626	93.2	3,653	64,279	98.8
2016	64,417	59,795	92.8	4,159	63,954	99.3
2015	63,872	58,736	92.0	4,307	63,043	98.7
2014	60,538	55,764	92.1	4,210	59,974	99.1
2013	58,797	53,545	91.1	4,845	58,390	99.3
2012	57,723	52,191	90.4	4,643	56,834	98.5
2011	57,990	52,223	90.1	4,569	56,792	97.9
2010	56,169	49,634	88.4	5,531	55,165	98.2

Notes:

(1) Figures are based on the Collector of Revenue's fiscal year which begins the first Monday of March.

(2) Includes monies collected that were paid to the state for reassessment.

Source: Collector of Revenue, City of St. Louis.

Table 9

CITY OF ST. LOUIS, MISSOURI

Earnings and Payroll Tax

Last Ten Fiscal Years
(dollars in thousands)

Fiscal year	Earnings					Payroll	
	Revenue base		1% Tax		Total (1) Earnings tax	Revenue base	(1) 0.5% Tax
	Business	Individual	Business	Individual			
2019	\$ 4,158,200	15,281,000	41,582	152,810	194,392	8,316,600	41,583
2018	3,787,500	14,558,200	37,875	145,582	183,457	7,942,400	39,712
2017	3,881,600	14,207,200	38,816	142,072	180,888	7,875,000	39,375
2016	3,581,000	13,822,900	35,810	138,229	174,039	7,800,000	39,000
2015	3,597,700	13,349,500	35,977	133,495	169,472	7,574,600	37,873
2014	3,356,500	12,813,900	33,565	128,139	161,704	7,358,400	36,792
2013	3,219,000	12,701,200	32,190	127,012	159,202	7,369,800	36,849
2012	3,354,200	12,482,700	33,542	124,827	158,369	7,021,600	35,108
2011	3,025,300	12,082,700	30,253	120,827	151,080	7,048,400	35,242
2010	2,557,500	12,171,600	25,575	121,716	147,291	7,513,600	37,568

Note:

Data calculated on a cash basis.

(1) Tax totals include Collector of Revenue commissions

Source: City of St. Louis Collector of Revenue

Table 10

CITY OF ST. LOUIS, MISSOURI

Principal Earnings and Payroll Tax Payers

Top Ten Companies' Current Fiscal Year and Nine Years Ago
By Industry Classification
(dollars in thousands)

Top ten companies by industry classification (2)	Fiscal Year 2019			Fiscal Year 2010		
	Total earnings and payroll tax	Rank	(1) Percentage of total earnings and payroll tax	Total earnings and payroll tax	Rank	(1) Percentage of total earnings and payroll tax
Financial Services	\$ 11,396	1	4.83 %	\$ 4,742	5	2.57 %
Education	10,053	2	4.26	6,600	2	3.57
Healthcare	6,692	3	2.84	4,894	4	2.65
Manufacturing	5,798	4	2.46	2,638	10	1.43
Manufacturing	5,423	5	2.30	7,996	1	4.33
Utilities	4,291	6	1.82	2,701	9	1.46
Government	4,186	7	1.77	3,227	7	1.75
Education	3,915	8	1.66	3,040	8	1.64
Telecommunications	3,364	9	1.43	5,422	3	2.93
Government	3,301	10	1.40	3,877	6	2.10
	<u>\$ 58,419</u>		<u>24.77 %</u>	<u>\$ 45,137</u>		<u>24.43 %</u>

Note:

(1) The percentages are calculated using total taxes from Table 9.

(2) Taxpayer confidentiality prevents the disclosure of amounts by company name. The above information is individual taxpayers within the noted industry categories.

Source: Collector of Revenue

Table 11

CITY OF ST. LOUIS, MISSOURI
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
General Obligation Bonds	\$ 74,565	33,060	37,345	16,795	23,010	28,130	35,050	38,955	42,685	46,300
Tax Increment Revenue Bonds	375,568	364,238	388,669	381,231	340,342	300,321	296,122	246,079	200,202	167,436
Lease Revenue Bonds	382,994	400,162	419,909	438,932	435,005	470,889	473,403	502,429	548,958	567,292
Capital Leases	89,775 (1)	93,152	48,089	59,391	71,157	76,299	66,713	72,009	75,993	67,779
Joint Venture Financing Agreement	13,910	19,093	24,068	28,845	33,434	37,844	42,085	46,166	50,092	53,873
Federal Section 108	11,750	17,110	22,160	26,910	31,370	35,580	39,530	43,250	46,750	50,050
Other Obligations	23,358	25,760	18,025	13,538	11,935	16,153	15,502	15,644	11,353	13,191
Unamortized Discounts/Premiums	26,900	24,286	21,184	10,823	6,918	3,646	(1,892)	(1,357)	(4,912)	(4,987)
Business-type activities:										
Airport	\$ 763,468	686,734	971,277	718,617	762,724	804,068	818,299	856,138	879,465	933,228
Water Division	10,345	10,854	11,276	18,391	5,222	7,759	10,645	14,597	19,158	22,520
Parking Division	61,125	64,735	68,239	70,898	74,568	70,870	66,745	68,688	70,524	72,263
Total Primary Government	\$ 1,833,758	1,739,184	2,030,241	1,784,371	1,795,685	1,851,559	1,862,202	1,902,598	1,940,268	1,988,945
Percentage of Personal Income	12.71 % (2)	12.93 %	15.88 %	13.58 %	14.38 %	15.24 %	15.72 %	16.73 %	17.75 %	17.37 %
Per Capita	6,055 (2)	5,635	6,520	5,652	5,657	5,815	5,855	5,964	6,085	6,255

(1) Capital Leases include rolling stock and obligations with component units.

(2) See Table 16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Source: Notes to basic financial statements

Table 12

CITY OF ST. LOUIS, MISSOURI

Ratio of Net General Obligation Debt Outstanding

Last Ten Fiscal Years

(dollars in thousands except per capita)

General bonded debt outstanding					
Fiscal year	General obligation bonds	Less debt service fund	Total net bonded debt	(1) Percentage of actual taxable value of property	(2) per capita (in dollars)
2019	\$ 74,565	9,775	64,790	0.35 %	\$ 214
2018	33,060	9,481	23,579	0.13	76
2017	37,345	8,355	28,990	0.16	93
2016	16,795	6,903	9,892	0.06	31
2015	23,010	6,966	16,044	0.09	51
2014	28,130	6,842	21,288	0.13	67
2013	35,050	8,713	26,337	0.15	83
2012	38,955	8,137	30,818	0.17	97
2011	42,685	8,118	34,567	0.19	108
2010	46,300	7,331	38,969	0.21	123

Note:

(1) See Table 5 for property value data.

(2) Population data can be found in Table 16

Source: City Assessor's Office and Comptroller's Office

Table 13

CITY OF ST. LOUIS, MISSOURI

Direct and Overlapping Governmental Activities Debt

As of June 30, 2019

(dollars in thousands)

Governmental unit	Debt outstanding	Estimated percentage applicable	Estimated share of overlapping debt
Debt repaid with property taxes:			
Board of Education of the City of St. Louis (1):			
General Obligation Debt	\$ 231,121	100.00 %	\$ 231,121
Other debt:			
Metropolitan St. Louis Sewer District (2)	1,561,280	9.05 *	141,280
St. Louis Public Library (3)	50,000	100.00 *	50,000
Junior College District of St. Louis (4)	50,170	17.47 *	8,765
Subtotal, overlapping debt	\$ <u>1,892,571</u>		431,166
City of St. Louis direct debt (5)			<u>998,820</u>
Total direct and overlapping debt			\$ <u><u>1,429,986</u></u>

Source:

- (1) Board of Education City of St. Louis.
- (2) Metropolitan St. Louis Sewer District
- (3) St. Louis Public Library
- (4) Junior College District of St. Louis
- (5) Notes to basic financial statements

Note:

* Based on assessed property value

CITY OF ST. LOUIS, MISSOURI

Legal Debt Margin Calculation

Last Ten Fiscal Years
(dollars in thousands)

Table 14

Legal debt margin calculation for fiscal year ended June 30, 2019

Assessed Value	\$ 4,581,679
Debt limit (10% of assessed value)	458,168
Debt applicable to limit:	
General obligation bonds	74,565
Less: Amount set aside for repayment. of general obligation debt.	(9,775)
Total net debt applicable to limit	64,790
Legal debt margin	\$ 393,378

	Fiscal year ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt limit	\$ 458,168	458,279	456,399	437,300	430,209	423,288	423,933	420,253	426,565	455,015
Total net debt applicable to limit	64,790	23,579	28,990	9,708	16,044	21,288	26,337	30,818	34,567	38,969
Legal debt margin	\$ 393,378	434,700	427,409	427,592	414,165	402,000	397,596	389,435	391,998	416,046
Total net debt applicable to the limit as a percentage of debt limit	14.14 %	5.15 %	6.35 %	2.22 %	3.73 %	5.03 %	6.21 %	7.33 %	8.10 %	8.56 %

Source: Assessor and Comptroller's Office

Table 15

CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

Water Revenue Bonds (1)							Airport Revenue Bonds (1)					
Fiscal year	Water revenue	Less: operating expenses	Net available revenue	Debt service		Coverage	Aviation revenue	Less: operating expenses	Net available revenue	Debt service		Coverage
				Principal	Interest					Principal	Interest	
2019	\$ 52,620	43,271	9,349	430	124	16.88	173,207	85,239	87,968	35,780	30,630	1.32
2018	54,446	44,485	9,961	422	131	18.01	164,562	82,909	81,653	40,475	22,451	1.30
2017	53,557	43,264	10,293	412	74	21.18	168,911	84,151	84,760	38,668	35,254	1.15
2016	56,538	44,193	12,345	404	33	28.25	167,961	74,670	93,291	58,623	18,281	1.21
2015	53,842	41,357	12,485	4,019	43	3.07	170,315	74,041	96,274	44,095	32,922	1.25
2014	56,647	44,645	12,002	3,765	86	3.12	178,365	86,524	91,841	30,465	46,318	1.20
2013	56,902	40,590	16,312	3,895	143	4.04	174,394	83,237	91,157	30,655	41,804	1.26
2012	58,631	38,126	20,505	3,740	650	4.67	161,518	81,872	79,646	19,985	41,501	1.30
2011	56,044	38,535	17,509	3,585	809	3.98	165,405	91,993	73,412	29,970	46,942	0.95
2010	51,295	37,549	13,746	2,440	959	4.04	170,429	87,385	83,044	21,670	44,157	1.26

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.

(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

Table 15, Continued

CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

Parking Revenue Bonds (1)							Tax Increment Financing Bonds (1) (2)					
Fiscal year	Parking/ Project revenues	Less: Operating expenses	Net available revenue	Debt service		Coverage	Tax increment revenue	Less: Operating expenses	Net available revenue	Debt service		Coverage
				Principal	Interest					Principal	Interest	
2019	\$ 19,625	9,602	10,023	3,403	1,580	2.01	38,067	959	37,108	11,885	16,425	1.34
2018	18,828	9,500	9,328	2,867	2,135	1.86	52,302	707	51,595	30,603	17,528	1.09
2017	18,403	8,620	9,783	2,091	826	3.35	34,354	887	33,467	12,356	19,090	1.09
2016	18,272	7,920	10,352	2,381	2,526	2.11	29,413	874	28,539	8,868	18,326	1.05
2015	17,147	7,603	9,544	2,232	2,738	1.92	23,436	1,064	22,372	16,056	18,772	0.64
2014	17,035	7,809	9,226	1,960	2,839	1.92	21,512	850	20,662	6,653	14,944	0.96
2013	15,935	7,248	8,687	1,860	2,911	1.82	22,796	898	21,898	7,067	14,000	1.04
2012	16,200	6,855	9,345	1,765	3,005	1.96	17,914	697	17,217	5,776	12,800	0.93
2011	15,163	6,657	8,506	1,675	3,093	1.78	14,115	631	13,484	5,853	10,189	0.84
2010	13,765	7,061	6,704	1,595	3,176	1.41	15,444	477	14,967	7,509	10,434	0.83

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.

(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

Table 15, Continued

CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

Section 108 Downtown Convention Headquarters Hotel Project							Justice Center Leasehold Revenue Bonds (1) (2)					
Fiscal year	Tax increment revenue	Less: Operating expenses	Net available revenue	Debt service		Coverage	Prisoner housing reimbursement	Less: Operating expenses	Net available revenue	Debt service		Coverage
				Principal	Interest					Principal	Interest	
2019	\$ 5,259	232	5,027	3,930	381	1.17	5,357	—	5,357	3,690	160	1.39
2018	4,649	265	4,384	3,700	444	1.06	6,892	—	6,892	10,025	581	0.65
2017	4,749	297	4,452	3,480	494	1.12	7,450	—	7,450	9,485	1,136	0.70
2016	4,500	328	4,172	3,270	530	1.10	6,997	—	6,997	9,030	1,587	0.66
2015	4,341	356	3,985	3,080	404	1.14	6,322	—	6,322	8,615	2,008	0.60
2014	4,278	350	3,928	2,890	572	1.13	6,259	—	6,259	8,265	2,352	0.59
2013	4,044	401	3,643	2,720	581	1.10	4,620	—	4,620	7,190	2,653	0.47
2012	4,629	360	4,269	2,560	1,381	1.08	5,298	—	5,298	11,020	2,500	0.39
2011	4,576	260	4,316	2,410	2,387	0.90	4,494	—	4,494	7,465	3,659	0.40
2010	3,701	270	3,431	2,270	2,523	0.72	6,919	—	6,919	5,680	4,238	0.70

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.

(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

Table 15, Continued

CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

Civil Courts/Carnahan Courthouse Leasehold Revenue Bonds (1) (2)							Forest Park Leasehold Revenue Bonds/Subordinate Leasehold Revenue Bonds (1) (2)					
Fiscal year	Court fees	Less: Operating expenses	Net available revenue	Debt service		Coverage	10.4% of the 1/2c capital sales tax	Less: Operating expenses	Net available revenue	Debt service		Coverage
				Principal	Interest					Principal	Interest	
2019	\$ 1,244	—	1,244	1,425	756	0.57	3,745	—	3,745	2,635	1,127	1.00
2018	1,217	—	1,217	860	782	0.74	3,699	—	3,699	2,825	858	1.00
2017	1,203	—	1,203	—	610	1.97	3,700	—	3,700	3,025	654	1.01
2016	1,213	—	1,213	1,330	853	0.56	3,533	—	3,533	3,170	549	0.95
2015	1,237	—	1,237	3,970	951	0.25	3,087	—	3,087	2,470	619	1.00
2014	1,301	—	1,301	3,920	1,092	0.26	3,152	—	3,152	1,720	527	1.40
2013	1,460	—	1,460	2,755	1,207	0.37	1,815	—	1,815	895	473	1.33
2012	1,492	—	1,492	2,635	1,332	0.38	1,905	—	1,905	865	508	1.39
2011	1,368	—	1,368	160	1,349	0.91	1,740	—	1,740	835	533	1.27
2010	1,419	—	1,419	2,255	493	0.52	1,722	—	1,722	805	563	1.26

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.

(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

Table 15, Continued

CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

Recreation Sales Tax Leasehold Revenue Bonds (1) (2)							Police Capital Improvements Sales Tax Leasehold Revenue Bonds (1) (2)					
Fiscal year	Parks and recreation sales tax	Less: Operating expenses	Net available revenue	Debt service		Coverage	10% of the 1/2c Capital sales tax	Less: Operating expenses	Net available revenue	Debt service		Coverage
				Principal	Interest					Principal	Interest	
2019	\$ 4,910	—	4,910	1,345	1,684	1.62	1,840	—	1,840	310	902	1.52
2018	4,859	—	4,859	1,305	1,720	1.61	1,712	—	1,712	625	586	1.41
2017	4,689	—	4,689	2,010	968	1.57	1,856	—	1,856	350	958	1.42
2016	4,855	—	4,855	1,155	2,084	1.50	1,831	—	1,831	340	970	1.40
2015	4,886	—	4,886	1,110	2,129	1.51	1,863	—	1,863	325	983	1.42
2014	4,473	—	4,473	1,065	2,172	1.38	1,889	—	1,889	315	996	1.44
2013	4,323	—	4,323	1,025	2,213	1.34	1,747	—	1,747	300	1,008	1.34
2012	4,520	—	4,520	985	2,252	1.40	1,830	—	1,830	290	1,019	1.40
2011	4,152	—	4,152	950	2,290	1.28	1,671	—	1,671	280	1,030	1.28
2010	4,055	—	4,055	910	2,326	1.25	1,654	—	1,654	265	1,041	1.27

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.

(2) Coverage ratio for Tax Increment Financings and for Leasehold Revenue Bonds combines several issues.

Table 15, Continued

CITY OF ST. LOUIS, MISSOURI

Pledged-Revenue Coverage,

Last Ten Fiscal Years
(dollars in thousands)

		City Parks Leasehold Revenue Bonds (1) (2)					
		6.6% of the 1/2c Capital Sales Tax, 15.5% of Metro Parks Sales Tax, and 60% of Metro Parks Arch Sales Tax	Less: Operating expenses	Net available revenue	Debt service		Coverage
Fiscal year					Principal	Interest	
	2019	\$ 3,311	—	3,311	555	1,053	2
	2018	3,036	—	3,036	530	1,074	2
	2017	3,074	—	3,074	515	1,089	2
	2016	3,091	—	3,091	500	1,104	2
	2015	3,104	—	3,104	440	1,167	2
	2014	—	—	—	—	—	—
	2013	—	—	—	—	—	—
	2012	—	—	—	—	—	—
	2011	—	—	—	—	—	—
	2010	—	—	—	—	—	—

(1) Coverage ratio as defined by the various bond covenants may be different than that presented here.

(2) Coverage ratio for Tax Incremental Financings and for Leasehold Revenue Bonds combines several issues.

Table 16

CITY OF ST. LOUIS, MISSOURI
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar year	(1) Population	(4) Personal income (thousands of dollars)	(4) Per capita personal income	(1) Median age	(2) Public school enrollment	(3) Unemployment rate
2018	302,838	14,428,133	47,643	36	20,879	3.4 %
2017	308,626	13,448,883	43,577	35	21,754	3.8
2016	311,404	12,786,566	41,061	35	22,506	4.0
2015	315,685	13,142,730	41,632	34	24,154	5.0
2014	317,419	12,484,968	39,333	35	24,869	5.7
2013	318,416	12,151,780	38,163	35	25,200	7.2
2012	318,069	11,842,448	37,232	34	22,516	7.4
2011	319,008	11,369,625	35,641	34	23,576	7.8
2010	318,842	10,928,301	34,275	35	25,046	8.7
2009	317,955	11,453,476	36,022	35	26,108	11.7

Notes:

(1) Source: Census Bureau -Population estimates since 2000 have been slightly inconsistent because the Census Bureau has used an Administrative Records methodology whereas the City has used a Housing Unit methodology.* Statistics reflect the City's successful challenge of the Bureau's methodology for Calendar Years 2002, 2003, and 2004.

(2) Data provided by the Missouri Dept. of Elementary and Secondary Education

(3) Data provided by the U. S. Bureau of Labor Statistics.

(4) Source: U.S. Bureau of Economic Analysis-Calendar Years 2006-2011 have been updated to reflect actual statistics released as of April 2013.

Table 17

CITY OF ST. LOUIS, MISSOURI

Principal Employers,

Current Calendar Year and Nine Years Ago

Employer	Calendar Year 2018			Calendar Year 2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Washington University	\$ 17,851	1	3.94 %	\$ 13,672	1	3.22 %
BJC Health Systems	15,335	2	3.39	12,225	2	2.88
St. Louis University	9,782	3	2.16	9,500	4	2.24
City of St. Louis	8,069	4	1.78	10,462	3	2.46
Defense Finance & Acct Services	6,138	5	1.36	6,174	5	1.45
A G Edwards/Wells Fargo	5,598	6	1.24	5,602	7	1.32
St. Louis Board of Education	4,653	7	1.03	5,139	8	1.21
US Postal Service	4,376	8	0.97	—		—
SSM Health SLUH	4,142	9	0.91	—		—
STL Children's Hospital	3,953	10	0.87	—		—
AT&T Services	—		—	5,683	6	1.34
Anheuser Busch	—		—	4,396	10	1.03
State of Missouri	—		—	4,646	9	1.09
	<u>\$ 79,897</u>		<u>17.65 %</u>	<u>\$ 77,499</u>		<u>18.24 %</u>

Source: City Collector of Revenue

Table 18

CITY OF ST. LOUIS, MISSOURI

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

		Full-time equivalent employees as of June 30									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Function/Program:											
Primary Government Employees:											
General government	\$	502	507	509	505	506	485	491	498	509	528
Convention and tourism		2	2	2	2	2	3	3	3	2	2
Parks and recreation		293	281	285	284	283	314	313	313	309	322
Judicial		632	635	643	653	653	681	679	706	714	709
Streets		425	426	442	446	451	455	455	455	455	464
Fire		777	776	776	776	776	781	778	813	829	830
Police		1,847	1,824	1,818	1,814	1,822	1,841	1,867	1,940	1,943	1,937
Other		751	751	759	757	752	749	750	709	716	774
Health and welfare		183	181	203	210	212	213	206	220	219	257
Public service		263	304	306	303	302	217	221	222	224	251
Community development		58	61	61	60	65	61	59	65	65	65
Business-Type Employees:											
Airport		530	530	524	529	530	537	540	555	580	583
Water Division		350	347	344	342	342	341	341	341	361	380
Parking Division		110	102	105	109	105	94	82	89	103	86
Total Employees	\$	6,723	6,727	6,777	6,790	6,801	6,772	6,785	6,929	7,029	7,188

Source: Budget division

Table 19

CITY OF ST. LOUIS, MISSOURI
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government:										
Payroll checks issued	\$ 172,005	174,359	185,212	179,475	179,431	180,873	183,489	185,338	191,837	201,642
Invoices processed	86,890	89,423	91,432	91,393	91,341	90,518	95,572	96,571	95,375	98,772
Deeds recorded	56,771	62,543	67,074	48,219	33,120	63,261	74,138	58,991	61,841	66,351
Birth and death certificate copies issued	75,284	72,731	73,643	72,418	68,357	60,780	54,552	55,773	57,898	61,836
Marriage licenses processed	2,418	2,318	2,992	2,992	2,962	2,680	2,358	2,318	2,548	2,570
Real property parcels	138,565	138,954	140,669	140,936	141,364	142,480	143,357	145,166	145,572	145,858
Personal property accounts	118,718	108,397	110,342	110,862	108,878	109,296	107,666	109,439	108,257	108,427
Problem properties cases heard*	6,593	7,723	6,669	5,201	4,894	5,555	7,911	8,942	8,981	8,491
Citizen Service Bureau (CSB) calls answered	106,048	108,442	110,788	107,479	126,780	131,129	119,504	124,637	122,470	102,964
CSB service requests issued	75,618	78,373	79,121	113,245	103,730	65,526	98,306	109,596	119,109	107,116
Parks and Recreation and Forestry:										
Park use permits issued	3,121	3,142	3,007	3,186	3,484	3,212	3,056	3,066	3,170	3,727
Vacant lot grass cuttings	42,792	26,536	46,734	54,693	56,298	52,886	52,079	51,845	52,110	51,015
Vacant building grass cuttings	26,484	22,232	22,332	24,400	22,641	24,775	24,366	24,870	24,124	23,520
CSB service requests received	21,256	24,334	24,560	21,341	22,303	22,149	23,116	24,009	25,660	23,007
Judicial:										
Juvenile cases-referrals *	2,237	2,308	2,026	2,436	2,297	2,395	2,702	3,031	3,444	3,540
Jurors summoned	63,305	58,487	63,797	99,879	120,629	112,881	55,105	59,650	58,230	65,805
Jurors who served	19,231	17,697	20,085	21,244	21,474	17,265	22,596	23,186	20,019	21,582
Streets:										
Tons of waste placed in landfills	143,088	141,341	142,707	142,768	139,667	134,125	150,645	164,134	173,812	185,848
Tons of waste recycled	16,980	16,760	16,589	15,769	15,769	14,686	15,618	12,830	4,842	3,851
Vehicles towed	11,374	13,102	12,837	11,594	9,825	9,197	8,880	8,470	9,850	9,765
Public Safety:										
Fire:										
Suppression calls	58,654	58,335	58,804	56,335	50,067	56,623	46,959	48,159	59,683	51,464
EMS calls	60,881	57,487	54,580	54,968	54,118	68,772	58,213	61,401	74,929	73,771
Police:										
Directed calls for service*	259,723	266,061	285,403	289,780	277,684	237,367	267,435	300,921	309,696	321,015
Felony arrests*	10,771	10,484	11,319	12,970	10,466	12,569	14,205	15,309	13,424	13,284
Misdemeanor arrests*	5,549	5,671	6,509	6,125	3,640	5,043	6,307	8,574	6,986	7,948
Police reports written*	69,571	67,581	72,055	71,046	68,400	66,104	65,337	72,057	76,204	83,339
Public Service:										
Contracts executed	92	125	137	130	115	125	78	108	81	298
Bridges inspected	49	40	45	43	41	41	44	40	44	33
Airport:										
Major airlines	8	8	7	7	9	9	9	10	10	10
Commuter airlines	19	18	17	14	14	16	18	19	19	19
Air cargo carriers	3	3	3	3	3	3	3	3	3	3
Passengers	15,822,218	15,209,248	14,359,274	13,323,815	12,487,420	12,339,645	12,747,102	12,681,341	12,399,226	12,514,653
Aircraft operations	193,998	195,171	193,439	188,466	185,474	184,211	189,068	191,653	186,908	195,409
Water Division:										
Bills issued – metered	50,271	51,179	51,185	51,325	51,327	51,625	51,512	52,000	52,128	52,432
Bills issued – flat rate	318,398	317,411	316,911	317,269	316,850	317,200	316,904	316,000	316,596	321,720
Billions of gallons of water purified	40,500	43,544	42,620	47,645	43,553	45,265	44,922	46,597	43,345	44,015

* Information based on calendar year

Source: information is provided by departments

Table 20

CITY OF ST. LOUIS, MISSOURI
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

	Fiscal year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Parks and Recreation:										
Park acreage	\$ 3,250	3,250	3,250	3,250	3,249	3,248	3,248	3,248	3,243	2,960
Miles of bicycle paths	40	39	38	38	38	38	36	36	36	36
Athletic fields	153	153	153	153	153	153	153	153	152	152
Recreation centers	7	7	7	7	9	9	9	9	7	9
Neighbourhood centers	2	2	2	2	—	—	—	—	—	—
Swimming pools	11	11	11	11	11	11	12	12	7	9
Golf courses	4	4	4	4	4	4	4	4	3	3
Judicial:										
Court houses	3	3	3	3	3	3	3	3	3	3
Streets:										
Alley containers	26,500	26,500	26,507	26,507	26,507	26,507	26,507	26,507	27,724	27,724
Rollout carts	43,000	40,000	39,952	39,952	39,952	39,952	39,952	39,952	34,770	21,202
Recycling containers	6,000	6,000	5,744	5,744	5,744	5,744	5,744	5,744	3,434	125
Streets – paved (miles)	23	25	26	27	24	21	14	16	18	21
Streets – (miles)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Alleys (miles)	600	600	600	600	600	600	600	600	600	600
Street, alley and easement lights	70,652	70,652	70,652	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Public Safety:										
Fire:										
Fire stations	30	30	30	30	30	30	30	30	30	30
Fire department vehicles	193	193	142	139	122	122	122	122	122	114
Police:										
Police stations	4	4	4	4	4	4	3	3	3	3
Police vehicles	672	673	668	679	675	757	759	757	694	710
Public Service:										
Bridges structurally deficient	15	15	15	17	18	15	15	14	15	17
Bridges functionally obsolete	26	27	27	24	28	28	28	27	30	22
Total bridges	74	73	73	73	73	73	73	73	72	71
Water Division:										
Miles of water mains	1,372	1,372	1,372	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Water storage capacity (gallons)	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000	128,000,000
Treatment Plants	2	2	2	2	2	2	2	2	2	2

Source: information is provided by department personnel

Prepared by:

Office of the Comptroller
City of St. Louis, Missouri
Honorable Darlene Green
Comptroller



Dedicated by Franklin Delano Roosevelt in 1936, the Soldiers Memorial Military Museum underwent extensive renovations and modernization, completed in 2018, for the 100th anniversary of the World War I armistice.